Romeo Community Schools

Financial Statements

June 30, 2022

YEO & YEO
CPAs & BUSINESS CONSULTANTS

Table of Contents

YEO & YEO
CPAs & BUSINESS CONSULTANTS

800.968.0010 | yeoandyeo.com

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Romeo Community Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Romeo Community Schools' basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of Romeo Community Schools, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2022 on our consideration of Romeo Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Romeo Community Schools’ internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Romeo Community Schools’ internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Auburn Hills, MI
September 19, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Romeo Community Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2022. Please read this in conjunction with the School District's financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Romeo Community Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds - the General Fund, 2020 Facility Bond Fund and 2022 Facility Bond Fund, with all other funds presented in one column as nonmajor funds. The format of the annual report is as follows:

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

Basic Financial Statements
Government-wide Financial Statements
Fund Financial Statements

Notes to the Financial Statements

Budgetary Information for Major Funds
(Required Supplementary Information)

Other Supplementary Information

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

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

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

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

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

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position as of June 30, 2022 and 2021:

TABLE 1	Governmental Activities	
	June 30, 2022	June 30, 2021
Assets		
Current and other assets	$ 94,803,776	$ 40,855,756
Capital assets	131,998,562	129,351,345
Total assets	226,802,338	170,207,101
Deferred Outflows of Resources		
Deferred amount relating to net pension liability	19,521,237	26,935,542
Deferred amount relating to net OPEB liability	7,570,203	9,640,011
Total deferred outflows of resources	27,091,440	36,575,553
Total assets and deferred outflows of resources	253,893,778	206,782,654
Liabilities		
Current liabilities	10,080,414	11,760,476
Long-term liabilities	219,417,711	211,893,231
Total liabilities	229,498,125	223,653,707
Deferred Inflows of Resources		
Deferred amount relating to net pension liability	30,509,033	5,119,777
Deferred amount relating to net OPEB liability	18,810,783	13,378,960
Total deferred inflows of resources	49,319,816	18,498,737
Total liabilities and deferred inflows of resources	278,817,941	242,152,444
Net Position		
Net investment in capital assets	65,773,371	66,009,303
Restricted	3,389,519	1,865,448
Unrestricted	(94,087,053)	(103,244,541)
Total net position	$ (24,924,163)	$ (35,369,790)

Table 1 focuses on the net position. The change in net position (see Table 2) of the School District's governmental activities is discussed later in this section. The School District's net position was ($24,924,163) at June 30, 2022. Net investment in capital assets totaling $65,773,371 compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position was unrestricted.

The ($94,087,053) in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The unrestricted net position balance enables the School District to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year. Also impacting the net position in fiscal year 2022 and 2021 were the net pension and net OPEB liabilities activities. The net pension liability was $77,019,263 and the net OPEB liability was $4,930,857 at June 30, 2022, contributing to a deficit unrestricted net position of ($94,087,053). In November, 2021, Romeo Community Schools voters approved the issuance of School Building and Site Bonds for $87.5 million. The bonds are to be sold in two series, the first being sold in February, 2022. The second series of bonds is scheduled to be sold in 2025.

The results of this year's operations for the School District as a whole are reported in the statement of activities (Table 2), which shows the changes in net position for fiscal year 2022 and 2021.

TABLE 2	Governmental Activities	
	June 30, 2022	June 30, 2021
Revenue		
Program revenue:		
Charges for services	$ 2,233,802	$ 919,150
Operating grants and contributions	20,309,217	16,345,364
General revenue:		
Property taxes	19,691,544	19,064,479
State aid - unrestricted	36,496,402	34,602,197
Special education millage	3,441,323	3,184,120
Interest and investment earnings	73,029	59,376
Other	455,975	193,134
Total revenue	82,701,292	74,367,820
Functions/Program Expenses		
Instruction	40,908,763	43,671,390
Supporting services	24,090,347	24,438,227
Food services	2,406,250	1,802,699
Community services	1,548,192	1,295,938
Interest on long-term debt	3,302,113	2,546,077
Total functions/program expenses	72,255,665	73,754,331
Change in net position	10,445,627	613,489
Net position - beginning	(35,369,790)	(35,983,279)
Net position - ending	$ (24,924,163)	$ (35,369,790)

As reported in the statement of activities, the cost of all of our governmental activities this year was $72,255,665. Certain activities were partially funded from those who benefited from the programs of $2,233,802 or by other governments and organizations that subsidized certain programs with grants and contributions of $20,309,217. We paid for the remaining "public benefit" portion of our governmental activities with $19,691,544 in taxes, $36,496,402 in unrestricted State Aid, and $3,970,327 with our other revenues, i.e., interest and general entitlements.

The School District experienced an increase in net position of $10,445,627. The key reasons for the change in net position was due, in part, to the increase in revenues from the sale of the first series of the 2022 Building and Site Improvement Bonds.

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 $85,767,316, which is an increase of $56,230,351 from last year. The primary reason for the increase in the combined fund balance is continued the sale of voter approved 2022 Facility Bonds, which will be used for targeted projects throughout the District.

In the General Fund, our principal operating fund, the fund balance increased $1,696,609 during 2022. The change in fund balance is mainly due to the District's ability to utilize the Elementary & Secondary School Emergency Relief (ESSER) funds to provide additional support for students regarding learning loss and mental health. This has allowed the District to secure fund balance for future needs of students when Federal assistance is no longer available.

Our Special Revenue Funds had a net increase of $1,341,440 in fund balance. The Food Services Fund increased its fund balance by $739,930 primarily due to the fact that the District continued to receive Federal reimbursement of school meals, all students began to receive free meals in 2020-2021 School year and the funding for free meals for all students continued through the 2021-2022 school year. With the return to in-person learning, the Food Service Fund was able to benefit from Federal funding of the lunch and breakfast meal reimbursements. The Community Services Fund, which includes community facility use services and early childhood services, including after school care and preschool programs, as well as, infant and toddler care, had an increase in fund balance of $347,978 due to the receipt of funding from the Child Care Relief Fund (CCRF) grant program (utilizing federal CARES Act funding) that helps child care providers in Michigan cover costs during the COVID-19 state of emergency. The District originally planned to support the Community Services Fund with a transfer from the General Fund, however, with the CCRF funding that became unnecessary. There is another round of funding for the 2022-2023 Fiscal Year that the Community Service Fund will receive.

Combined, the Debt Service Funds showed a fund balance increase of $467,946. This modest increase is to maintain the fund balance at a moderate level.

General Fund Budgetary Highlights

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

There were revisions made to the 2021-2022 General Fund original budget. Revenues were adjusted to account for increases in State revenue that were State's budget that was adopted after June 30, 2020. Also, Federal grants revenue were adjusted for CARES Act funding that was allocated to 2022 expenditures.

Budgeted expenditures increased slightly due to related added expenses in reaction to COVID needs to address learning loss and mental health supports.

There were variances between the final budget and actual amounts. At the end of the 2021-2022 fiscal year, and after the final General Fund budget was adopted, the variance was due to continued cautious projected year end expenses and to some planned expenses were not able to be spent in the fiscal year prior to year-end.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2022, the School District had $131,998,562 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 $2,647,217.

	2022	2021
Land	$ 461,702	$ 461,702
Construction in progress	2,271,147	7,860,476
Buildings and building improvements	160,324,680	152,691,238
Land improvements	8,798,985	8,971,366
Buses and other vehicles	4,596,834	4,641,051
Furniture and equipment	25,605,727	24,175,520
Total capital assets	202,059,075	198,801,353
Less accumulated depreciation	(70,060,513)	(69,450,008)
Net capital assets	$ 131,998,562	$ 129,351,345

This year's net addition is a combination of the final expenditures of the 9th Grade Academy Improvements and Elementary building improvements completed in the fall of 2021, were moved from Construction in Progress to Buildings and Building Improvements. While the additional Construction in Progress accounts for the new Transportation building and new Tennis Courts at the new High School and will be ready for use for the Fall season.

Debt

At the end of this year, the School District had $120,905,000 in bonds outstanding versus $73,845,000 in the previous year. Those bonds consisted of the following:

	2022	2021
General obligation bonds	$ 120,905,000	$ 73,845,000

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

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

Economic Factors and Next Year's Budget and Rates

Our Board of Education and administration consider many factors when setting the School District's 2022-2023 fiscal year budget. Pupil enrollment projections, District Priorities as developed by the District Leadership Team, and the economic outlook at the State and National level.

At the May, 2022 Consensus Revenue Estimating Conference for the State of Michigan, the leaders from the House and Senate Fiscal Agencies and the State Treasurer met to come to a consensus of the 2021-2022 revenues and the projected revenues for the fiscal year 2022-2023. The May 2022 consensus estimate of FY 2021-22 GF/GP revenue was increased by $1.73 billion from the January 2022 consensus revenue estimate, while consensus SAF revenue also was increased by $1.26 billion. The May consensus estimates coupled with enacted appropriations and SFA projected expenditures for May 2022 resulted in a projected year-end balance of over $5.2 billion GF/GP and $5.0 billion SAF. These significant changes to the budget estimates from the State for the end of fiscal year 2022 led the District to anticipate increases to the Per Pupil Foundation for the 2023 Fiscal Year. However, at the time the District's budget was approved by the Board of Education, the State budget had not been adopted. In July 2022, the Governor signed the FY 2022-23 School Aid Bill. This increases the per pupil funding for Romeo Community Schools by $450 per pupil or roughly $2.3 million. There are also significant increases in At-Risk and special education funding, mental health support, career and technical education and opportunities for additional funding for school safety. The Board of Education was updated regularly as information changed and the District used many resources to keep up with the latest developments as they changed, sometimes daily. The budget will be amended in the Fall after student counts are known.

Although the previous two school years were amongst the most challenging for the District regarding remote learning, COVID restrictions and budget uncertainties, the District has returned to full in-person learning for nearly all its students. However, the District has continued to offer the Romeo Virtual Academy for students grades 6-12 for those families that seek an alternative to in-person learning.

The District is now tasked with the challenge of assessing and addressing student learning loss and the mental health needs caused by the pandemic. There have been federal and state funding sources that have been made available to assist the District in meeting these needs. Some of those federal dollars were passed through the Intermediate School District to support the Great Start Readiness program and American Rescue Plan dollars to further support special education through IDEA.

As in 2021, the District continued to receive funding from the Federal Government under the CARES Act in the form of Elementary and Secondary School Emergency Relief Funds (ESSER), these funds were to provide districts with funding to pay for the added costs of educating students, addressing learning loss and assisting student with mental health concerns caused the pandemic. This funding was passed through the State of Michigan, through ESSER II and ESSER III allocations. The Federal funds were allocated based on formula that includes 2020-2021 Title I, Part A allocation. The State also passed through some of their Federal funding to schools in an effort to equalize the Federal formula and provide additional funding to districts with low Title I formula allocations. Romeo Community Schools was allocated these additional equalization dollars to bring the District's total allocation to a minimum funding established by the State. In total, the District received an allocation of $8 million in ESSER II and ESSER III funds. These funds will be used in accordance with the established allowable uses and have partially funded programs in the 2021-2022 school year and will be expended, as planned for by District Administration, in the 2022-2023 and 2023-2024 fiscal years.

For the second year, the USDA approved the reimbursement to schools for breakfast and lunch for all students in the 2021-2022 School Year. This allowed every student to eat breakfast and lunch at no cost, regardless of economic need. For the 2022-2023 School Year, the District returned to free or reduced cost meals will be for students that qualify through an application process. Students that do not qualify for free meals, will no longer be served without cost.

In addition, one of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2022 fiscal year reverted back to the pre-pandemic blended count of 90% of the Fall count and 10% of the previous Spring count. The adopted the 2022-2022 budget was adopted in June 2022, based on an estimate of students that will be enrolled in October 2022. Approximately 75 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot assess additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2022-2023, we anticipate that the fall student count will be slightly higher than previous years with a modest increase of 15.0 FTEs.

The District, as of June 30, 2022, has been in contract negotiations with the AFSCME Child Care and the Romeo Office Support Personnel Association (ROSPA), as well as, wage reopener negotiations with the AFSCME Food Service and Maintenance unions. To date, the Child Care and ROSPA contracts have been ratified, each with a multi-year agreement. The AFSCME Food Service and Maintenance wage reopeners have been settled. There are no other contracts currently open. The financial impact of this contract settlement will be incorporated in future budget amendments.

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

Romeo Community Schools
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash	$ 25,000,334
Accounts receivable	44,332
Due from other governmental units	10,039,605
Inventory	158,655
Investments	59,492,888
Prepaid items	67,962
Capital assets not being depreciated	2,732,849
Capital assets - net of accumulated depreciation	129,265,713
Total assets	226,802,338
Deferred Outflows of Resources	
Deferred amount relating to net pension liability	19,521,237
Deferred amount relating to net OPEB liability	7,570,203
Total deferred outflows of resources	27,091,440
Liabilities	
Accounts payable	1,548,410
Due to other governmental units	920,316
Accrued expenditures	1,166,169
Accrued salaries payable	5,169,036
Unearned revenue	1,276,483
Noncurrent liabilities	
Debt due within one year	4,984,151
Debt due in more than one year	132,483,440
Net pension liability	77,019,263
Net OPEB liability	4,930,857
Total liabilities	229,498,125

Romeo Community Schools
Statement of Net Position
June 30, 2022

	Governmental Activities
Deferred Inflows of Resources	
Deferred amount relating to net pension liability	$ 30,509,033
Deferred amount relating to net OPEB liability	18,810,783
Total deferred inflows of resources	49,319,816
Net Position	
Net investment in capital assets	65,773,371
Restricted for	
Debt service	524,481
Capital projects	2,865,038
Unrestricted (deficit)	(94,087,053)
Total net position	$ (24,924,163)

See Accompanying Notes to the Financial Statements

Romeo Community Schools
Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functions/Programs					
Governmental activities					
Instruction	$ 40,908,763	$ -	$ 10,150,808	$ -	$ (30,757,955)
Supporting services	24,090,347	387,416	7,144,438	-	(16,558,493)
Food services	2,406,250	262,958	3,013,971	-	870,679
Community services	1,548,192	1,583,428	-	-	35,236
Interest on long-term debt	3,302,113	-	-	-	(3,302,113)
Total governmental activities	$ 72,255,665	$ 2,233,802	$ 20,309,217	$ -	(49,712,646)
General revenues					
Property taxes, levied for general purposes					8,011,763
Property taxes, levied for debt service					9,013,937
Property taxes, levied for sinking fund					2,665,844
Special education millage					3,441,323
State aid - unrestricted					36,496,402
Interest and investment earnings					73,029
Other					455,975
Total general revenues					60,158,273
Change in net position					10,445,627
Net position - beginning					(35,369,790)
Net position - ending					$ (24,924,163)

See Accompanying Notes to the Financial Statements

Romeo Community Schools
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	2020 Facility Bond Fund	2022 Facility Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	$ 6,938,179	$ 9,167,223	$ 486,296	$ 8,408,636	$ 25,000,334
Accounts receivable	33,829	-	-	10,503	44,332
Due from other funds	1,512,265	-	-	2,501,544	4,013,809
Due from other governmental units	9,937,591	-	-	102,014	10,039,605
Inventory	121,172	-	-	37,483	158,655
Investments	-	-	59,492,888	-	59,492,888
Prepaid items	64,562	-	-	3,400	67,962
Total assets	$ 18,607,598	$ 9,167,223	$ 59,979,184	$ 11,063,580	$ 98,817,585
Liabilities					
Accounts payable	$ 425,453	$ 559,213	$ 489,207	$ 74,537	$ 1,548,410
Due to other funds	2,501,544	1,028,238	422,462	61,565	4,013,809
Due to other governmental units	920,316	-	-	-	920,316
Accrued expenditures	118,066	-	-	4,149	122,215
Accrued salaries payable	5,169,036	-	-	-	5,169,036
Unearned revenue	304,334	-	-	972,149	1,276,483
Total liabilities	9,438,749	1,587,451	911,669	1,112,400	13,050,269

Romeo Community Schools
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	2020 Facility Bond Fund	2022 Facility Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances					
Non-spendable					
Inventory	$ 121,172	$ -	$ -	$ 37,483	$ 158,655
Prepaid items	64,562	-	-	3,400	67,962
Restricted for					
Food service	-	-	-	972,355	972,355
Debt service	-	-	-	1,568,435	1,568,435
Capital projects	-	7,579,772	59,067,515	5,585,180	72,232,467
Committed					
Student activity	-	-	-	1,295,900	1,295,900
Assigned					
High school store	-	-	-	26,875	26,875
Community services	-	-	-	461,552	461,552
Unassigned	8,983,115	-	-	-	8,983,115
Total fund balances	9,168,849	7,579,772	59,067,515	9,951,180	85,767,316
Total liabilities and fund balances	$ 18,607,598	$ 9,167,223	$ 59,979,184	$ 11,063,580	$ 98,817,585

Romeo Community Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2022

Total fund balances for governmental funds	$ 85,767,316
Total net position for governmental activities in the statement of net position is different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	2,732,849
Capital assets - net of accumulated depreciation	129,265,713
Deferred outflows (inflows) of resources	
Deferred inflows of resources resulting from net pension liability	(30,509,033)
Deferred outflows of resources resulting from net pension liability	19,521,237
Deferred inflows of resources resulting from net OPEB liability	(18,810,783)
Deferred outflows of resources resulting from OPEB liability	7,570,203
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(1,043,954)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Net pension liability	(77,019,263)
Net OPEB liability	(4,930,857)
Compensated absences	(1,874,971)
Bonds payable	(120,905,000)
Bond premium	(14,687,620)
Net position of governmental activities	$ (24,924,163)

See Accompanying Notes to the Financial Statements

Romeo Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General Fund	2020 Facility Bond Fund	2022 Facility Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources	$ 8,591,243	$ 36,954	$ (6,352)	$ 14,412,150	$ 23,033,995
State sources	48,143,824	-	-	436,104	48,579,928
Federal sources	3,714,914	-	-	3,731,277	7,446,191
Interdistrict sources	3,444,303	-	-	196,875	3,641,178
Total revenues	63,894,284	36,954	(6,352)	18,776,406	82,701,292
Expenditures					
Current					
Education					
Instruction	40,214,147	-	-	-	40,214,147
Supporting services	21,514,002	-	-	1,736,940	23,250,942
Food services	-	-	-	2,473,330	2,473,330
Community services	6,108	-	-	1,254,388	1,260,496
Intergovernmental payments	7,889	-	-	-	7,889
Capital outlay	455,517	7,394,971	723,153	2,040,748	10,614,389
Debt service					
Principal	-	-	-	5,455,000	5,455,000
Interest and other expenditures	-	-	281,163	3,092,753	3,373,916
Total expenditures	62,197,663	7,394,971	1,004,316	16,053,159	86,650,109
Excess (deficiency) of revenues over expenditures	1,696,621	(7,358,017)	(1,010,668)	2,723,247	(3,948,817)

See Accompanying Notes to the Financial Statements

Romeo Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General Fund	2020 Facility Bond Fund	2022 Facility Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)					
Proceeds from issuance of bonds	$ -	$ -	$ 52,515,000	$ -	$ 52,515,000
Premium on issuance of bonds	-	-	7,563,183	-	7,563,183
Proceeds from sale of capital assets	-	-	-	100,985	100,985
Transfers in	-	-	-	12	12
Transfers out	(12)	-	-	-	(12)
Total other financing sources (uses)	(12)	-	60,078,183	100,997	60,179,168
Net change in fund balances	1,696,609	(7,358,017)	59,067,515	2,824,244	56,230,351
Fund balances - beginning	7,472,240	14,937,789	-	7,126,936	29,536,965
Fund balances - ending	$ 9,168,849	$ 7,579,772	$ 59,067,515	$ 9,951,180	$ 85,767,316

Romeo Community Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

Net change in fund balances - Total governmental funds	$ 56,230,351
Total change in net position reported for governmental activities in the statement of activities is different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(4,113,609)
Capital outlay	8,332,253
Sale of capital assets (net book value)	(1,571,427)
Expenses are recorded when incurred in the statement of activities.	
Interest	(602,269)
Compensated absences	183,312
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	33,723,340
Net change in the deferrals of resources related to the net pension liability	(32,803,561)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB liability	12,517,979
Net change in the deferrals of resources related to the net OPEB liability	(7,501,631)
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities.	
Debt issued	(60,078,183)
Repayments of long-term debt	5,455,000
Amortization of premiums	674,072
Change in net position of governmental activities	$ 10,445,627

Note 1 - Summary of Significant Accounting Policies

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

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

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

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

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

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The school district does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

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

Fund Financial Statements
Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

The School District reports the following major governmental funds:

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

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

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

Additionally, the School District reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Funds include Food Services, High School Store, and Community Services Funds. Operating deficits generated by these activities are generally transferred from the General Fund.

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

2016 Facility Bond Fund – The 2016 Facilities Bond Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for new and updated facilities.

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

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

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

Assets, Liabilities and Net Position or Equity

Cash – Cash includes 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. To the extent that cash from various funds has been pooled in an investment, related investment income has been allocated to each fund based on relative participation in the pool.

Investments – Investments are stated at fair value.

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

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

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2022, the rates are as follows per $1,000 of assessed value.

General Fund	
Non-principal residence exemption	18.00000
Commercial personal property	6.00000
Debt Service Funds	3.99000
Sinking Fund	1.22670

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries.

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

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

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

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

Buildings and building improvements	20-50 years
Land improvements	20 years
Buses and other vehicles	5-10 years
Furniture and other equipment	5-15 years
Software	5 years

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

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

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

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

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

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

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPSERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Equity – In the fund financial statements, governmental funds report fund balance in the following categories:

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

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

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

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

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

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

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

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

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

Adoption of New Accounting Standards
Statement No. 87, *Leases* increases the usefulness of the District's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the District's leasing activities.

Statement No. 99, *2022 Omnibus* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Upcoming Accounting and Reporting Changes
Statement No. 96, *Subscription-Based Information Technology Arrangements,* is based on the standards established in Statement No. 87 *Leases.* This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. This statement is effective for the year ending June 30, 2023.

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

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

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

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

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

Excess of Expenditures over Appropriations

The School District did not have significant expenditure budget variances.

Compliance - Sinking Funds

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

Compliance - Bond Proceeds

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, management believes the School District has complied, in all material respects, with the applicable provisions of Section 1351a of the Revised School Code. The following is a summary of the revenue and expenditures in the Bus Bond Fund, Technology Bond Fund, 2016 Facilities Bond Fund, 2020 Facilities Bond Fund, and 2022 Facilities Bond Fund from the inception of the funds through the current fiscal year:

	Bus Bond	Technology Bond	2016 Facility Bond	2020 Facility Bond	2022 Facility Bond
Revenues	$ 2,113,738	$ 4,821,413	$ 88,332,049	$ 19,059,763	$ 60,071,831
Expenditures	1,028,708	4,011,113	87,507,237	11,479,991	1,004,316
	$ 1,085,030	$ 810,300	$ 824,812	$ 7,579,772	$ 59,067,515

Note 3 - Deposits and Investments

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

	Governmental Activities
Cash	$ 25,000,334
Investments	59,492,888
	$ 84,493,222

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

Deposits (checking, savings accounts, money markets, certificates of deposit)	$ 9,061,255
Investments in securities, mutual funds, and similar vehicles	75,430,372
Petty cash and cash on hand	1,595
Total	$ 84,493,222

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

Investment	Fair Value	Maturities	Rating	Rating Organization
External investment pools				
Michigan Liquid Asset Fund				
MILAF + Portfolio				
Cash Management Class	$ 5,976,921	N/A	AAAm	S&P
MAX Class	9,960,563	N/A	AAAm	S&P
Commercial paper	48,252,626	7/6/22 to 10/1/22	A-1+	S&P
US Treasury	9,978,900	12/31/22	AA+u(A-1+u)	S&P
Morgan Stanley Inst Govt	1,261,362	N/A	AAAm	S&P
	$ 75,430,372			

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

As of June 30, 2022, the net asset value of the School District's investment in MILAF + Portfolio was $15,937,484. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustee's may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of $1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

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

Credit risk – State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

Concentration of credit risk – The School District's investment policy places no limit on the amount the School District may invest in any one issuer. The School District policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year end, $9,813,645 of the School District's bank balance of $10,063,645 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Note 4 - Fair Value Measurements

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

The School District has the following recurring fair value measurements as of June 30, 2022:

- Amounts invested in US Treasury Notes of $9,978,900. Amounts invested in Morgan Stanley Institutional Government Portfolio of $1,261,362. The investments are valued at fair market value using quoted market prices (Level 1 inputs).

- Amounts invested in Commercial Paper of $48,252,626. Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset (Level 2 inputs).

Note 5 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	$ 461,702	$ -	$ -	$ 461,702
Construction-in-progress	7,860,476	6,240,817	11,830,146	2,271,147
Total capital assets not being depreciated	8,322,178	6,240,817	11,830,146	2,732,849
Capital assets being depreciated				
Buildings and building improvements	152,691,238	11,797,704	4,164,262	160,324,680
Land improvements	8,971,366	-	172,381	8,798,985
Buses and other vehicles	4,641,051	526,973	571,190	4,596,834
Furniture and equipment	24,175,520	1,596,905	166,698	25,605,727
Total capital assets being depreciated	190,479,175	13,921,582	5,074,531	199,326,226
Less accumulated depreciation for				
Buildings and building improvements	41,807,997	2,773,458	2,720,209	41,861,246
Land improvements	4,386,460	382,271	118,608	4,650,123
Buses and other vehicles	3,576,502	276,173	492,894	3,359,781
Furniture and equipment	19,679,049	681,707	171,393	20,189,363
Total accumulated depreciation	69,450,008	4,113,609	3,503,104	70,060,513
Net capital assets being depreciated	121,029,167	9,807,973	1,571,427	129,265,713
Net capital assets	$ 129,351,345	$ 16,048,790	$ 13,401,573	$ 131,998,562

Depreciation expense was charged to activities of the School District as follows:

Governmental activities	
Instruction	$ 2,461,725
Supporting services	1,423,316
Food services	151,406
Community services	77,162
Total governmental activities	$ 4,113,609

Construction Contracts

The School District has active construction projects as of June 30, 2022. At year end, the School District's commitment with contractors is as follows:

Project	Total Contract	Remaining Construction Commitment
Hamilton Parsons addition	$ 89,958	$ 50,049
Indian Hills addition	94,590	51,988
RMS cafeteria	30,750	27,060
RMS doors and lockers	45,780	16,606
RMS site improvements	28,800	-
Croswell	591,072	506,627
Amanda Moore addition	17,760	-
Washington addition	14,640	-
Havel renovations	8,160	-
Memorial Field	33,157	22,268
Bus garage	2,305,662	1,685,257
Tennis courts	2,637,705	1,731,826
Total	$ 5,898,034	$ 4,091,681

Note 6 - Interfund Receivable and Payable and Transfers

Individual interfund receivable and payable balances at year end were:

Receivable Fund	Payable Fund	Amount
General Fund	2020 Facilities Bond Fund	$ 1,028,238
General Fund	2022 Facilities Bond Fund	422,462
General Fund	Nonmajor Governmental Funds	61,565
Nonmajor Governmental Funds	General Fund	2,501,544
		$ 4,013,809

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

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

Interfund transfers consist of the following:

	Transfers Out General Fund
Transfers in	
Nonmajor Governmental Funds	$ 12

Transfers from General Fund to nonmajor governmental funds were for revenues collected by General Fund for the Food Service Fund.

Note 7 - Unearned Revenue

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

Student meals	$ 38,874
Child care	933,275
Grant and categorical aid payments received prior to meeting all eligibility requirements	304,334
Total	$ 1,276,483

Note 8 - Long-Term Debt

The School District issues bonds and contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to qualified bonds. Other long-term obligations include compensated absences.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds payable					
General obligation bonds	$ 73,845,000	$ 52,515,000	$ 5,455,000	$120,905,000	$ 4,560,000
Premium on bonds	7,798,509	7,563,183	674,072	14,687,620	-
	81,643,509	60,078,183	6,129,072	135,592,620	4,560,000
Other liabilities					
Compensated absences	2,058,283	1,000,140	1,183,452	1,874,971	424,151
Total	$ 83,701,792	$ 61,078,323	$ 7,312,524	$137,467,591	$ 4,984,151

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

2017 Technology and Bus Bonds - $6,015,000 issued, due in annual installments of $1,415,000 through May 1, 2023; interest at 3.00%	$ 1,415,000
2016 Facilities Bonds - $56,390,000 issued, due in annual installments of $1,650,000 to $3,800,000 through May 1, 2041; interest at 5.00%	50,750,000
2020 Facilities Bonds - $19,000,000 issued, due in annual installments of $675,000 to $875,000 through May 1, 2044; interest at 2.00% to 2.25%	16,225,000
2022 Facilities Bonds - $52,515,000 issued, due in annual installments of $870,000 to $3,290,000 through May 1, 2045; interest at 4.00%	52,515,000
Total general obligation bonded debt	$ 120,905,000

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

	Principal	Interest	Total
Year Ending June 30,			
2023	$ 4,560,000	$ 5,272,152	$ 9,832,152
2024	4,525,000	4,880,312	9,405,312
2025	4,935,000	4,694,812	9,629,812
2026	4,155,000	4,492,662	8,647,662
2027	4,320,000	4,320,712	8,640,712
2028-2032	24,475,000	18,656,060	43,131,060
2033-2037	30,020,000	12,941,610	42,961,610
2038-2042	32,570,000	5,947,926	38,517,926
2043-2045	11,345,000	834,664	12,179,664
Total	$120,905,000	$ 62,040,910	$182,945,910

The general obligation bonds are payable from the debt service funds. As of year end, the debt service funds had a combined fund balance of $1,568,435 to pay this debt. Future debt and interest will be payable from future tax levies. Other long-term debt liabilities are expected to be paid primarily by General Fund resources.

Compensated Absences
Accrued compensated absences at year end, consist of $1,874,971 of vacation and sick hours earned and vested. The amount anticipated to be paid out over the next year is included within the amounts listed as due within one year.

Note 9 - Risk Management

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

Note 10 - Pension Plans and Post Employment Benefits

Plan Description
The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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

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

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

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over a 18-year period beginning October 1, 2020 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2021.

Pension Contribution Rates

Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	19.78%
Member Investment Plan	3.0 - 7.0	19.78
Pension Plus	3.0 - 6.4	16.82
Pension Plus 2	6.2	19.59
Defined Contribution	0.0	13.39

Required contributions to the pension plan from the School District were $9,767,928 for the year ending September 30, 2021.

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

At June 30, 2022, the School District reported a liability of $77,019,263 for its proportionate share of the MPSERS 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 rolled forward from September 2020. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2021, the School District's proportion was 0.3253 percent, which was an increase of 0.0029 percent from its proportion measured as of September 30, 2020.

For the plan year ending September 30, 2021, the School District recognized pension expense of $9,291,130 for the measurement period. For the reporting period ending June 30, 2022, the School District recognized total pension contribution expense of $11,063,344.

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	Total
Difference between expected and actual experience	$ 1,193,061	$ (453,552)	$ 739,509
Changes in assumptions	4,855,019	-	4,855,019
Net difference between projected and actual earnings on pension plan investments	-	(24,761,446)	(24,761,446)
Changes in proportion and differences between district contributions and proportionate share of contributions	2,970,819	(234,572)	2,736,247
	9,018,899	(25,449,570)	(16,430,671)
District contributions subsequent to the measurement date	10,502,338	(5,059,463)	5,442,875
	$ 19,521,237	$ (30,509,033)	$ (10,987,796)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The School District will offset the contribution expense in the year ended June 30, 2022 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2022	$ (1,126,822)
2023	(3,262,769)
2024	(5,432,059)
2025	(6,609,021)
	$ (16,430,671)

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2020
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
  - MIP and Basic Plans: 6.80% net of investment expenses
  - Pension Plus Plan: 6.80% net of investment expenses
  - Pension Plus 2 Plan : 6.0% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
  - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
  - Active Members: RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total pension liability as of September 30, 2021, is based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 4.4367 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2021 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.4%
Private Equity Ppols	16.0	9.1
International Equity	15.0	7.5
Fixed Income Pools	10.5	(0.7)
Real Estate and Infrastructure Pools	10.0	5.4
Absolute Return Pools	9.0	2.6
Real Return/Opportunistic Pools	12.5	6.1
Short Term Investment Pools	2.0	(1.3)
	100.0%	

**Long-term rates of return are net of administrative expenses and 2.0% inflation.*

Rate of Return
For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 27.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate
A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.80% (6.80% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension plus plan, 6.00% for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease* 5.80% / 5.80% / 5.00%	Current Single Discount Rate Assumption* 6.80% / 6.80% / 6.00%	1% Increase* 7.80% / 7.80% / 7.00%
$ 110,116,659	$ 77,019,263	$ 49,579,351

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

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

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

Note 11 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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

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

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

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

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

Contributions

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over a 18-year period beginning October 1, 2020 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2021.

OPEB Contribution Rates

Benefit Structure	Member	Employer
Premium Subsidy	3.00%	8.43%
Personal Healthcare Fund (PHF)	0.00	7.57

Required contributions to the OPEB plan from the School District were $2,398,093 for the year ended September 30, 2021.

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

At June 30, 2022, the School District reported a liability of $4,930,857 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability 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 rolled forward from September 2020. The School District’s proportion of the net OPEB liability was determined by dividing each employer’s statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2021, the School District’s proportion was 0.3230 percent, which was a decrease of 0.0027 percent from its proportion measured as of September 30, 2020.

For the plan year ending September 30, 2021, the School District recognized OPEB expense of ($2,561,537) for the measurement period. For the reporting period ending June 30, 2022, the School District recognized total OPEB contribution expense of $2,457,970.

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	Total
Difference between expected and actual experience	$ -	$ (14,074,779)	$ (14,074,779)
Changes in assumptions	4,121,951	(616,798)	3,505,153
Net difference between projected and actual earnings on OPEB plan investments	-	(3,716,475)	(3,716,475)
Changes in proportion and differences between district contributions and proportionate share of contributions	1,235,953	(402,731)	833,222
	5,357,904	(18,810,783)	(13,452,879)
District contributions subsequent to the measurement date	2,212,299	-	2,212,299
	$ 7,570,203	$ (18,810,783)	$ (11,240,580)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
2022	$ (3,521,658)
2023	(3,154,392)
2024	(2,843,307)
2025	(2,761,654)
2026	(1,035,953)
Thereafter	(135,915)
	$ (13,452,879)

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2020
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.95% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65: 5.25% Year 1 graded to 3.5% Year 15; 3.0% Year 120
- Mortality:
    - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
    - Active: RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Other Assumptions:

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

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total OPEB liability as of September 30, 2021, is based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 6.1312 years.

Recognition period for assets 5 years.

Full actuarial assumptions are available in the 2020 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.4%
Private Equity Ppols	16.0	9.1
International Equity	15.0	7.5
Fixed Income Pools	10.5	(0.7)
Real Estate and Infrastructure Pools	10.0	5.4
Absolute Return Pools	9.0	2.6
Real Return/Opportunistic Pools	12.5	6.1
Short Term Investment Pools	2.0	(1.3)
	100.0%	

**Long-term rates of return are net of administrative expenses and 2.0% inflation.*

Rate of Return
For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 27.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate
A discount rate of 6.95% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.95%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate
The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
$ 9,162,422	$ 4,930,857	$ 1,339,769

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate
The following presents the School District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the School District's proportionate share of net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
$ 1,200,131	$ 4,930,857	$ 9,128,372

OPEB Plan Fiduciary Net Position
Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2021 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

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

Note 12 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2022.

The School District is involved in legal proceedings. In the opinion of the School District's attorneys, the outcome of this legal matter is not presently determinable.

Note 13 - Tax Abatements

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

For the fiscal year ended June 30, 2022, the School District's property tax revenues were reduced by $118,697 under these programs.

There are no significant abatements made by the School District.

REQUIRED SUPPLEMENTARY INFORMATION

Romeo Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			
	Original	Final	Actual	Over (Under) Budget
Revenues				
Local sources	$ 8,691,237	$ 8,460,243	$ 8,591,243	$ 131,000
State sources	44,118,403	48,046,692	48,143,824	97,132
Federal sources	1,743,091	6,794,426	3,714,914	(3,079,512)
Interdistrict sources	3,231,899	3,477,722	3,444,303	(33,419)
Total revenues	57,784,630	66,779,083	63,894,284	(2,884,799)
Expenditures				
Instruction				
Basic programs	29,875,417	32,262,243	31,245,867	(1,016,376)
Added needs	7,947,223	10,499,013	8,968,280	(1,530,733)
Supporting services				
Pupil	3,357,363	4,480,975	3,745,812	(735,163)
Instructional staff	3,069,705	3,365,237	3,142,493	(222,744)
General administration	605,894	828,494	796,181	(32,313)
School administration	3,068,991	3,414,330	3,441,240	26,910
Business	810,480	843,783	848,449	4,666
Operations and maintenance	4,977,235	5,097,800	4,950,502	(147,298)
Pupil transportation services	2,440,933	2,664,307	2,600,470	(63,837)
Central	1,126,232	1,192,308	1,139,157	(53,151)
Athletic activities	849,467	874,994	849,698	(25,296)
Community services	6,258	8,917	6,108	(2,809)
Intergovernmental payments	14,045	7,889	7,889	-
Capital outlay	125,420	513,934	455,517	(58,417)
Total expenditures	58,274,663	66,054,224	62,197,663	(3,856,561)
Excess (deficiency) of revenues over expenditures	(490,033)	724,859	1,696,621	971,762

Romeo Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Over (Under) Budget
Other Financing Sources (Uses)				
Transfers out	$ (220,990)	$ (3,125)	$ (12)	$ (3,113)
Net change in fund balance	(711,023)	721,734	1,696,609	968,649
Fund balance - beginning	7,472,240	7,472,240	7,472,240	-
Fund balance - ending	$ 6,761,217	$ 8,193,974	$ 9,168,849	$ 968,649

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

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A.	School District's proportion of net pension liability (%)	0.32530%	0.32240%	0.30960%	0.30574%	0.31008%	0.31800%	0.33240%	0.33093%		
B.	School District's proportionate share of net pension liability	$ 77,019,263	$ 110,742,603	$ 102,513,490	$ 91,906,174	$ 80,355,630	$ 79,349,119	$ 81,198,019	$ 72,891,862		
C.	School District's covered payroll	$ 29,042,827	$ 28,780,962	$ 27,299,533	$ 25,624,554	$ 25,842,557	$ 26,288,571	$ 27,651,260	$ 28,679,893		
D.	School District's proportionate share of net pension liability as a percentage of its covered payroll	265.19%	384.78%	375.51%	358.66%	310.94%	301.84%	293.65%	254.16%		
E.	Plan fiduciary net position as a percentage of total pension liability	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%		

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2021.

Changes on benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2021.

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

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A.	Statutorily required contributions	$ 11,063,344	$ 9,685,486	$ 8,817,711	$ 8,127,143	$ 8,484,009	$ 4,877,622	$ 5,188,389	$ 6,060,184		
B.	Contributions in relation to statutorily required contributions	11,063,344	9,685,486	8,817,711	8,127,143	8,484,009	4,877,622	5,188,389	6,060,184		
C.	Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
D.	School District's covered payroll	$ 30,887,847	$ 28,487,302	$ 28,851,583	$ 26,936,718	$ 25,684,574	$ 25,892,315	$ 26,844,402	$ 28,537,317		
E.	Contributions as a percentage of covered payroll	35.82%	34.00%	30.56%	30.17%	33.03%	18.84%	19.33%	21.24%		

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

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A.	School District's proportion of net OPEB liability (%)	0.32300%	0.32570%	0.31330%	0.30130%	0.30970%					
B.	School District's proportionate share of net OPEB liability	$ 4,930,857	$ 17,448,836	$ 22,489,072	$ 23,950,367	$27,421,914					
C.	School District's covered payroll	$ 29,042,827	$ 28,780,962	$ 27,299,533	$ 25,624,554	$25,842,557					
D.	School District's proportionate share of net OPEB liability as a percentage of its covered payroll	16.98%	60.63%	82.38%	93.47%	106.11%					
E.	Plan fiduciary net position as a percentage of total OPEB liability	87.33%	59.44%	48.46%	42.95%	36.39%					

Note Disclosures
Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2021.
Changes on benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2021.

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

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A.	Statutorily required contributions	$ 2,457,970	$ 2,358,935	$ 2,372,375	$ 2,169,972	$ 1,949,180					
B.	Contributions in relation to statutorily required contributions	2,457,970	2,358,935	2,372,375	2,169,972	1,949,180					
C.	Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -					
D.	School District's covered payroll	$ 30,887,847	$ 30,887,847	$ 28,851,583	$ 26,936,718	$ 25,684,574					
E.	Contributions as a percentage of covered payroll	7.96%	7.64%	8.22%	8.06%	7.59%					

OTHER SUPPLEMENTARY INFORMATION

Romeo Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds				Debt Service Funds				Capital Project Funds				Total
	Food Services Fund	Student Activity Fund	High School Store Fund	Community Services Fund	2016 Facility Bond Debt Fund	Technology Bond Debt Fund	Bus Bond Debt Fund	2020 Facility Bond Debt Fund	2016 Facility Bond Fund	Technology Bond Fund	Bus Bond Fund	Sinking Fund	Nonmajor Governmental Funds
Assets													
Cash	$ 665,709	$ 1,318,517	$ 26,875	$ 5,388	$ 746,645	$ 175,233	$ 171,425	$ 426,655	$ -	$ 825,120	$ 1,085,030	$ 2,962,039	$ 8,408,636
Accounts receivable	-	-	-	10,503	-	-	-	-	-	-	-	-	10,503
Due from other funds	243,583	-	-	1,384,672	23,813	5,589	5,467	13,608	824,812	-	-	-	2,501,544
Due from other governmental units	102,014	-	-	-	-	-	-	-	-	-	-	-	102,014
Inventory	30,701	-	6,782	-	-	-	-	-	-	-	-	-	37,483
Prepaid items	-	-	-	3,400	-	-	-	-	-	-	-	-	3,400
Total assets	$ 1,042,007	$ 1,318,517	$ 33,657	$ 1,403,963	$ 770,458	$ 180,822	$ 176,892	$ 440,263	$ 824,812	$ 825,120	$ 1,085,030	$ 2,962,039	$ 11,063,580
Liabilities													
Accounts payable	$ 77	$ 14,052	$ -	$ 1,587	$ -	$ -	$ -	$ -	$ -	$ 14,480	$ -	$ 44,341	$ 74,537
Due to other funds	-	8,565	-	-	-	-	-	-	-	340	-	52,660	61,565
Accrued expenditures	-	-	-	4,149	-	-	-	-	-	-	-	-	4,149
Unearned revenue	38,874	-	-	933,275	-	-	-	-	-	-	-	-	972,149
Total liabilities	38,951	22,617	-	939,011	-	-	-	-	-	14,820	-	97,001	1,112,400
Fund Balances													
Non-spendable													
Inventory	30,701	-	6,782	-	-	-	-	-	-	-	-	-	37,483
Prepaid items	-	-	-	3,400	-	-	-	-	-	-	-	-	3,400
Restricted for													
Food service	972,355	-	-	-	-	-	-	-	-	-	-	-	972,355
Debt service	-	-	-	-	770,458	180,822	176,892	440,263	-	-	-	-	1,568,435
Capital projects	-	-	-	-	-	-	-	-	824,812	810,300	1,085,030	2,865,038	5,585,180
Committed	-	1,295,900	-	-	-	-	-	-	-	-	-	-	1,295,900
Assigned	-	-	26,875	461,552	-	-	-	-	-	-	-	-	488,427
Total fund balances	1,003,056	1,295,900	33,657	464,952	770,458	180,822	176,892	440,263	824,812	810,300	1,085,030	2,865,038	9,951,180
Total liabilities and fund balances	$ 1,042,007	$ 1,318,517	$ 33,657	$ 1,403,963	$ 770,458	$ 180,822	$ 176,892	$ 440,263	$ 824,812	$ 825,120	$ 1,085,030	$ 2,962,039	$ 11,063,580

Romeo Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Special Revenue Funds				Debt Service Funds				Capital Project Funds				Total
	Food Services Fund	Student Activity Fund	High School Store Fund	Community Services Fund	2016 Facility Bond Debt Fund	Technology Bond Debt Fund	Bus Bond Debt Fund	2020 Facility Bond Debt Fund	2016 Facility Bond Fund	Technology Bond Fund	Bus Bond Fund	Sinking Fund	Nonmajor Governmental Funds
Revenues													
Local sources	$ 290,688	$ 1,932,910	$ 55,818	$ 788,678	$ 4,181,957	$ 926,653	$ 1,026,596	$ 2,540,771	$ 237	$ 308	$ 428	$ 2,667,106	$ 14,412,150
State sources	96,382	-	-	-	166,880.00	39,166	38,315	95,361	-	-	-	-	436,104
Federal sources	2,917,589	-	-	813,688	-	-	-	-	-	-	-	-	3,731,277
Interdistrict sources	-	-	-	-	-	-	-	-	-	196,875	-	-	196,875
Total revenues	3,304,659	1,932,910	55,818	1,602,366	4,348,837	965,819	1,064,911	2,636,132	237	197,183	428	2,667,106	18,776,406
Expenditures													
Current													
Education													
Supporting services	-	1,694,244	40,952	-	-	-	-	-	-	-	-	1,744	1,736,940
Food services	2,473,330	-	-	-	-	-	-	-	-	-	-	-	2,473,330
Community services	-	-	-	1,254,388	-	-	-	-	-	-	-	-	1,254,388
Capital outlay	91,411	-	-	-	-	-	-	-	-	441,706	500,663	1,006,968	2,040,748
Debt service													
Principal	-	-	-	-	1,575,000	925,000	930,000	2,025,000	-	-	-	-	5,455,000
Interest and other expenditures	-	-	-	-	2,619,521	57,690	37,096	378,446	-	-	-	-	3,092,753
Total expenditures	2,564,741	1,694,244	40,952	1,254,388	4,194,521	982,690	967,096	2,403,446	-	441,706	500,663	1,008,712	16,053,159
Excess (deficiency) of revenues over expenditures	739,918	238,666	14,866	347,978	154,316	(16,871)	97,815	232,686	237	(244,523)	(500,235)	1,658,394	2,723,247
Other Financing Sources (Uses)													
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	100,985	-	-	100,985
Transfers in	12	-	-	-	-	-	-	-	-	-	-	-	12
						-	-	-					
Total other financing sources (uses)	12	-	-	-	-	-	-	-	-	100,985	-	-	100,997
Net change in fund balances	739,930	238,666	14,866	347,978	154,316	(16,871)	97,815	232,686	237	(143,538)	(500,235)	1,658,394	2,824,244
Fund balances - beginning	263,126	1,057,234	18,791	116,974	616,142	197,693	79,077	207,577	824,575	953,838	1,585,265	1,206,644	7,126,936
Fund balances - ending	$ 1,003,056	$ 1,295,900	$ 33,657	$ 464,952	$ 770,458	$ 180,822	$ 176,892	$ 440,263	$ 824,812	$ 810,300	$ 1,085,030	$ 2,865,038	$ 9,951,180

Romeo Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2022

2017 School Technology and Bus Bonds
Original amount of issue: $6,015,000
Interest rate: 2.00% to 3.00%

Year Ending June 30,	Principal May 1st	Semi-annual Interest Payments November 1st	Semi-annual Interest Payments May 1st	Total Fiscal Year Requirements
2023	$ 1,415,000	$ 21,225	$ 21,225	$ 1,457,450

2016 Facilities Bonds
Original amount of issue: $56,390,000
Interest rate: 4.00% to 5.00%

Year Ending June 30,	Principal May 1st	Semi-annual Interest Payments November 1st	Semi-annual Interest Payments May 1st	Total Fiscal Year Requirements
2023	$ 1,650,000	$ 1,268,750	$ 1,268,750	$ 4,187,500
2024	1,750,000	1,227,500	1,227,500	4,205,000
2025	1,825,000	1,183,750	1,183,750	4,192,500
2026	1,925,000	1,138,125	1,138,125	4,201,250
2027	2,025,000	1,090,000	1,090,000	4,205,000
2028	2,125,000	1,039,375	1,039,375	4,203,750
2029	2,225,000	986,250	986,250	4,197,500
2030	2,350,000	930,625	930,625	4,211,250
2031	2,475,000	871,875	871,875	4,218,750
2032	2,600,000	810,000	810,000	4,220,000
2033	2,725,000	745,000	745,000	4,215,000
2034	2,875,000	676,875	676,875	4,228,750
2035	3,025,000	605,000	605,000	4,235,000
2036	3,175,000	529,375	529,375	4,233,750
2037	3,325,000	450,000	450,000	4,225,000
2038	3,475,000	366,875	366,875	4,208,750
2039	3,625,000	280,000	280,000	4,185,000
2040	3,775,000	189,375	189,375	4,153,750
2041	3,800,000	95,000	95,000	3,990,000
	$ 50,750,000	$ 14,483,750	$ 14,483,750	$ 79,717,500

Romeo Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2022

2020 Facilities Bonds
Original amount of issue: $19,000,000
Interest rate: 2.00% to 2.25%

Year Ending June 30,	Principal May 1st	Semi-annual Interest Payments November 1st	Semi-annual Interest Payments May 1st	Total Fiscal Year Requirements
2023	$ 625,000	$ 168,031	$ 168,031	$ 961,062
2024	650,000	161,781	161,781	973,562
2025	675,000	155,281	155,281	985,562
2026	675,000	148,531	148,531	972,062
2027	675,000	141,781	141,781	958,562
2028	675,000	135,031	135,031	945,062
2029	700,000	128,281	128,281	956,562
2030	700,000	121,281	121,281	942,562
2031	700,000	114,281	114,281	928,562
2032	700,000	107,281	107,281	914,562
2033	700,000	100,281	100,281	900,562
2034	700,000	93,281	93,281	886,562
2035	700,000	86,281	86,281	872,562
2036	725,000	79,281	79,281	883,562
2037	750,000	72,031	72,031	894,062
2038	775,000	64,063	64,063	903,126
2039	800,000	55,828	55,828	911,656
2040	825,000	47,328	47,328	919,656
2041	850,000	38,563	38,563	927,126
2042	875,000	29,531	29,531	934,062
2043	875,000	19,688	19,688	914,376
2044	875,000	9,844	9,844	894,688
	$ 16,225,000	$ 2,077,560	$ 2,077,560	$ 20,380,120

Romeo Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2022

2022 Facilities Bonds
Original amount of issue: $52,515,000
Interest rate: 4.00%

Year Ending June 30,	Principal May 1st	Semi-annual Interest Payments November 1st	Semi-annual Interest Payments May 1st	Total Fiscal Year Requirements
2023	$ 870,000	$ 1,287,865	$ 1,068,275	$ 3,226,140
2024	2,125,000	1,050,875	1,050,875	4,226,750
2025	2,435,000	1,008,375	1,008,375	4,451,750
2026	1,555,000	959,675	959,675	3,474,350
2027	1,620,000	928,575	928,575	3,477,150
2028	1,685,000	896,175	896,175	3,477,350
2029	1,755,000	862,475	862,475	3,479,950
2030	1,840,000	818,600	818,600	3,477,200
2031	1,935,000	772,600	772,600	3,480,200
2032	2,010,000	733,900	733,900	3,477,800
2033	2,090,000	693,700	693,700	3,477,400
2034	2,175,000	651,900	651,900	3,478,800
2035	2,260,000	608,400	608,400	3,476,800
2036	2,350,000	563,200	563,200	3,476,400
2037	2,445,000	516,200	516,200	3,477,400
2038	2,540,000	467,300	467,300	3,474,600
2039	2,645,000	416,500	416,500	3,478,000
2040	2,750,000	363,600	363,600	3,477,200
2041	2,860,000	308,600	308,600	3,477,200
2042	2,975,000	251,400	251,400	3,477,800
2043	3,090,000	191,900	191,900	3,473,800
2044	3,215,000	130,100	130,100	3,475,200
2045	3,290,000	65,800	65,800	3,421,600
	$ 52,515,000	$ 14,547,715	$ 14,328,125	$ 81,390,840