BERRIEN SPRINGS PUBLIC SCHOOLS
Berrien County, Michigan

Annual Financial Report

For the year ended June 30, 2022

Hungerford Nichols CPAs + Advisors
Where good ideas add up

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Hungerford Nichols CPAs + Advisors
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INDEPENDENT AUDITOR'S REPORT

October 27, 2022

The Board of Education
Berrien Springs Public Schools

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Berrien Springs Public Schools, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Emphasis of Matter

Changes in Accounting Principle

As discussed in Note M to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* for the fiscal year ended June 30, 2022. Our opinion is not modified in respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022, on our consideration of the Berrien Springs Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Berrien Springs Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Berrien Springs Public Schools' internal control over financial reporting and compliance.

Hungerford Nichols

Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Berrien Springs Public Schools, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

- The first two statements, the Statement of Net Position, and the Statement of Activities, are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.

- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

  - *Governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

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

District-wide Statements

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

The two district-wide statements report the District's net position, and how it has changed. Net position - the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources - is one way to measure the District's financial health or position.

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

- To assess the District's overall health, one should consider additional non-financial factors such as changes in the District's property tax-base, economic factors that might influence state aid revenue, and the condition of school buildings and other facilities.

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

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

New Accounting Pronouncement Implemented

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* during the fiscal year ended June 30, 2022. This Statement enhances the relevance and consistency of information about governments' leasing activities. See Note M for additional information.

Condensed District-wide Financial Information

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

	2022	2021
Assets		
Current assets	$ 40,056,449	$ 41,878,592
Net capital assets	63,299,373	47,772,920
Total Assets	**103,355,822**	**89,651,512**
Deferred Outflows of Resources	**23,252,112**	**29,076,473**
Liabilities		
Current liabilities	10,395,325	6,664,078
Long-term liabilities	34,183,177	31,816,233
Net pension liability	48,738,178	67,541,909
Net OPEB liability	3,182,150	11,014,105
Total Liabilities	**96,498,830**	**117,036,325**
Deferred Inflows of Resources	**27,954,791**	**8,509,690**
Net Position		
Net investment in capital assets	27,002,754	14,490,886
Restricted	9,257,431	16,642,333
Unrestricted (deficit)	(34,105,872)	(37,951,249)
Total Net Position	**$ 2,154,313**	**$ (6,818,030)**

The Statement of Activities presents changes in net position from operating results:

	2022	2021
Program Revenues		
Charges for services	$ 158,397	$ 21,803
Operating grants	16,116,698	12,943,776
General Revenues		
Property taxes	3,670,461	3,634,177
State school aid, unrestricted	32,360,240	32,113,166
Interest and investment earnings	42,612	65,641
Other	15,130,076	13,537,444
Total Revenues	67,478,484	62,316,007
Expenses		
Instruction	22,190,955	28,435,543
Supporting services	29,057,347	24,818,380
Community services	1,846,093	2,660,000
Food service	967,220	908,001
Other	66,199	34,117
Interest on long-term debt	1,117,560	1,118,299
Depreciation, unallocated	3,260,767	1,720,159
Total Expenses	58,506,141	59,694,499
Increase in net position	8,972,343	2,621,508
Net Position, Beginning of Year	(6,818,030)	(9,439,538)
Net Position, End of Year	**$ 2,154,313**	**$ (6,818,030)**

Financial Analysis of the District as a Whole

Total revenues exceeded expenses by $8,972,343, increasing total net position from a deficit of $6,818,030 to a net position of $2,154,313. Unrestricted net position increased by $3,845,377 to a deficit of $34,105,872 at June 30, 2022. The District's net pension liability, including deferred outflows and inflows of resources, increased by $1,382,226 during the fiscal year. In addition, the District's net OPEB liability, including deferred outflows and inflows of resources, decreased by $2,748,450 during the fiscal year.

The District's total revenues increased $5,162,477 or 8.28%, in the fiscal year. Property taxes and unrestricted State aid accounted for 53.4% of the District's revenue. Federal and State grants for specific programs accounted for 23.9% of total District revenues, increasing $3,271,967 over the previous fiscal year.

Total cost of all programs and services decreased by $1,188,358 to $58.5 million in 2021-22. The District's expenses are predominantly related to instruction (38%) and supporting services (50%).

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. As a general rule, fund balances from one fund are prohibited from being expended on expenditures of another fund.

The District utilizes two kinds of funds:

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

Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Berrien Springs Public Schools' funds are described as follows:

Major Funds

General Fund
The General Fund is the District's primary operating fund. The General Fund had total revenues of $64,140,286, total other financing sources of $1,197,409 (including proceeds from capital lease transactions of $1,042,882), total expenditures of $60,372,679, and total other financing uses of $2,418,532. It ended the fiscal year with a fund balance of $22,605,957, up from $20,059,473 at June 30, 2021.

Capital Projects Funds
The District has one major Capital Projects Fund, the 2019 Construction Performance Arts Center (PAC) Fund. Total revenues were $2,633 and total expenditures were $8,593,477. The fund balance at June 30, 2022 was $45,703 down from $8,636,547 at June 30, 2021.

Nonmajor Funds

Special Revenue Funds

The District operates two Special Revenue funds, the Food Service and Student/School Activity Fund. Total revenues of the Food Service Fund were $1,383,082, total expenditures were $989,052, and total other financing uses were $55,000. The ending fund balance was $476,528, up from $137,498 at June 30, 2021. Total revenues of the Student/School Activity Fund were $268,674, and total expenditures were $227,100. The ending fund balance was $282,492, up from $240,918 at June 30, 2021.

Debt Service Funds

The District operates six Debt Service funds. Total revenues were $1,580,639, total other financing sources were $1,224,818, and total expenditures were $2,425,408. The ending fund balances in the Debt Service Funds totaled $4,404,368 at June 30, 2022, up from $4,024,319 at June 30, 2021.

Capital Projects Funds

The District operates three nonmajor Capital Projects Funds. Total revenues were $4,443, total other financing sources were $1,500,000, total expenditures were $714,918, and total other financing uses were $306,286. Fund balances at June 30, 2022 totaled $4,278,363 up from $3,795,124 at June 30, 2021.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget two times after the June 2021 adoption. Amendments were needed due to:

- Changes were adopted in February 2022, to adjust for student enrollment, staffing adjustments, program adjustments, additional local grant awards, and anticipated revenue/expenditure changes, including additional revenue due to pandemic relief funds and bargaining agreement negotiation settlements, staff appreciation bonus, facility purchase for planned transportation complex, and transfer to Public Improvement Fund.

- In June 2022, changes were adopted to account for the final annual adjustments of revenue, general supplies, and expenditures anticipated at fiscal year end. Major adjustments to revenue included adjustments to lease financing to comply with new GASB 87 reporting guidelines. Expenditures increased due to capitalization of facility lease agreements and additional transfer to the Public Improvement Fund, but overall expenditures decreased.

- The District's final amended budget for the General Fund anticipated that expenditures and other financing sources would exceed revenue and other financing uses by $3,643,608. Actual revenues exceeded expenditures by $2,546,484, primarily due to increased revenue received from pandemic relief funds and underspending budgets.

- The District budgeted for and anticipated a deficit budget for the 2022-2023 fiscal year. The district has a very strong fund balance and has expanded instructional supports to increase achievement in the classroom and to support improving district facilities.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2021-22, the District had a $86.9 million investment in a broad range of capital assets including land, school buildings, athletic facilities, administrative offices, furniture and equipment, and transportation and other vehicles. This represents an increase of $15,526,453 over the previous year. More detailed information about capital assets can be found in Note E in the Notes to Basic Financial Statements.

At June 30, 2022, the District's net investment in capital assets (after accumulated depreciation) was $63,299,373. Net capital asset additions totaled $14,758,637 for the fiscal year with accumulated depreciation increasing $2,458,922 leaving an increase in net capital assets of $12,299,715. Net capital assets of the District at June 30, 2022 are detailed as follows:

Land	$ 2,914,329
Construction in progress	24,941,783
Buildings and site improvements	28,179,429
Buses and other vehicles	793,524
Furniture and equipment	796,549
Leasehold improvements	1,243,691
Intangible right-to-use assets	4,430,068
Net Capital Assets	$ 63,299,373

Long-term Obligations

At year end, the District had $36,431,144 in general obligation bonds and other long-term debt outstanding - a net increase of $3,127,619 from the previous year.

The District's bond rating for general obligation debt was affirmed by Standard and Poor's as A+ with a stable outlook. The State limits the amount of general obligation debt that schools can issue to 15% of the assessed value of all taxable property within a District's boundaries.

The District's other obligations include accumulated vacation pay and sick leave. There is more detailed information about our long-term liabilities in Note F in the Notes to Basic Financial Statements.

Factors Bearing on the District's Future

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

- State funding for the 2022-23 school year will be increasing by approximately 5% or $450 per pupil.
- The State of Michigan School Aid Fund revenue outlook remains stable.
- The building project approved by the community in November of 2018, has been completed and is expected to attract families to the district. The projects approved include a performaing arts auditoriaum, performance gymnasium, locker rooms, band and choir classrooms.
- Enrollment projections indicate a stable enrollment. The district continues to improve our programs for students who choose the option for virtual learning.
- The District continues to enhance revenue through virtual learning program enrollment at centers located across the state. The enrollment at these centers is expected to grow and two new centers are being added for 2022-2023.
- Employee retirement costs paid into the Michigan Public Schools Employees' Retirement System (MPSERS), controlled by the State, continues to be a cause for concern into the future. Prior year legislative groups have addressed this unfunded liability, the fact remains there are less people paying into this system and more people receiving benefits each year, as state-wide decline in students have dictated retirees are not replaced locally on a one-to-one basis. For every dollar paid to employees throughout the year, the District pays a percentage into MPSERS. Addressing the unfunded MPSERS liability is necessary; however, it does reduce the overall available funds to all districts, as this funding dedicates a portion of school aid directly to this item.
- Employment recruitment and retention is a concern. Maintaining quality support staff and substitutes at all positions is a priority for the district. The district has been able to offer more competitive salary and benefit packages due to the district's health fund balance.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Berrien Springs Public Schools, Sylvester Avenue PO Box 130, Berrien Springs, Michigan 49103. Contact by phone at (269) 471-2891.

BASIC FINANCIAL STATEMENTS

Berrien Springs Public Schools
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash	$ 1,847
Cash equivalents and investments (Note B)	27,422,626
Accounts receivable	3,166,793
Due from other governmental units (Note C)	9,437,402
Deposits	516
Inventory	27,265
Capital assets not being depreciated (Note E)	27,856,112
Capital assets being depreciated, net (Note E)	35,443,261
Total Assets	103,355,822
Deferred Outflows of Resources	
Deferred pension amounts	16,732,330
Deferred OPEB amounts	6,519,782
Total Deferred Outflows of Resources	23,252,112
Liabilities	
Accounts payable	679,601
Due to other governmental units	1,474,966
Accrued interest payable	199,059
Salaries payable	2,658,977
Accrued expenditures	559,839
Unearned revenue	2,574,916
Long-term liabilities (Note F):	
Due within one year	2,247,967
Due in more than one year	34,183,177
Net pension liability	48,738,178
Net OPEB liability	3,182,150
Total Liabilities	96,498,830
Deferred Inflows of Resources	
Deferred pension amounts	16,048,325
Deferred OPEB amounts	11,906,466
Total Deferred Inflows of Resources	27,954,791
Net Position	
Net investment in capital assets	27,002,754
Restricted for:	
Capital outlay	4,278,363
Debt service	4,220,048
Food service	476,528
Student/school activities	282,492
Unrestricted (deficit)	(34,105,872)
Total Net Position	$ 2,154,313

See accompanying notes to basic financial statements.

Berrien Springs Public Schools
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
Governmental Activities				
Instruction	$ 22,190,955	$ 1,368	$ 14,413,924	$ (7,775,663)
Supporting services	29,057,347	119,480	301,906	(28,635,961)
Community services	1,846,093	-	-	(1,846,093)
Food service	967,220	37,549	1,345,533	415,862
Other	66,199	-	-	(66,199)
Interest on long-term debt	1,117,560	-	55,335	(1,062,225)
Depreciation - unallocated*	3,260,767	-	-	(3,260,767)
Total Governmental Activities	$ 58,506,141	$ 158,397	$ 16,116,698	(42,231,046)

General Revenues	
Taxes:	
Property taxes, levied for general operations	2,145,278
Property taxes, levied for debt service	1,525,174
Property taxes, levied for capital improvements	9
State school aid, unrestricted	32,360,240
Interest and investment earnings	42,612
Other	15,130,076
Total General Revenues	51,203,389
Change in Net Position	8,972,343
Net Position - Beginning of Year	(6,818,030)
Net Position - End of Year	$ 2,154,313

*This amount excludes direct depreciation expense of the various programs.

See accompanying notes to basic financial statements.

Berrien Springs Public Schools
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	2019 Construction PAC	Nonmajor	Total
Assets				
Cash	$ 1,847	$ -	$ -	$ 1,847
Cash equivalents and investments (Note B)	17,929,252	45,703	9,447,671	27,422,626
Accounts receivable	3,166,793	-	-	3,166,793
Due from other funds	55,490	-	490	55,980
Due from other governmental units	9,371,059	-	66,343	9,437,402
Inventory	18,514	-	8,751	27,265
Deposits	516	-	-	516
Total Assets	$ 30,543,471	$ 45,703	$ 9,523,255	$ 40,112,429
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 679,601	$ -	$ -	$ 679,601
Due to other funds	490	-	55,490	55,980
Due to other governmental units	1,467,488	-	7,478	1,474,966
Accrued interest	-	-	14,739	14,739
Salaries payable	2,655,180	-	3,797	2,658,977
Accrued expenditures	559,839	-	-	559,839
Unearned revenue	2,574,916	-	-	2,574,916
Total Liabilities	7,937,514	-	81,504	8,019,018
Fund Balances				
Nonspendable	19,030	-	8,751	27,781
Restricted	-	45,703	9,433,000	9,478,703
Assigned for subsequent expenditures	4,574,193	-	-	4,574,193
Unassigned	18,012,734	-	-	18,012,734
Total Fund Balances	22,605,957	45,703	9,441,751	32,093,411
Total Liabilities and Fund Balances	$ 30,543,471	$ 45,703	$ 9,523,255	$ 40,112,429

See accompanying notes to basic financial statements.

Berrien Springs Public Schools
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2022

Total governmental fund balances		$ 32,093,411
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is $86,928,208 and accumulated depreciation is $23,628,835.		63,299,373
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	$(29,268,600)	
Lease liabilities	(4,535,580)	
Bond premium, unamortized	(2,538,142)	
Accumulated vacation/sick leave	(88,822)	(36,431,144)
Accrued interest is not included as a liability in governmental funds.		(184,320)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(48,738,178)	
Deferred outflows	16,732,330	
Deferred inflows	(16,048,325)	(48,054,173)
Net OPEB liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB liability	(3,182,150)	
Deferred outflows	6,519,782	
Deferred inflows	(11,906,466)	(8,568,834)
Total Net Position - Governmental Activities		$ 2,154,313

See accompanying notes to basic financial statements.

Berrien Springs Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

	General Fund	2019 Construction PAC	Nonmajor	Total
Revenues				
Local sources	$17,064,216	$ 2,633	$ 1,835,970	$ 18,902,819
State sources	41,056,571	-	60,414	41,116,985
Federal sources	4,271,881	-	1,340,454	5,612,335
Interdistrict sources	1,747,618	-	-	1,747,618
Total Revenues	64,140,286	2,633	3,236,838	67,379,757
Expenditures				
Current:				
Instruction	26,482,860	-	-	26,482,860
Supporting services	27,944,855	-	227,100	28,171,955
Community services	1,910,050	-	-	1,910,050
Food service	-	-	989,052	989,052
Capital outlay	3,256,833	8,593,477	714,918	12,565,228
Debt service:				
Principal repayment	602,884	-	1,315,600	1,918,484
Interest and fiscal charges	175,197	-	1,109,808	1,285,005
Total Expenditures	60,372,679	8,593,477	4,356,478	73,322,634
Excess (Deficiency) of Revenues Over Expenditures	3,767,607	(8,590,844)	(1,119,640)	(5,942,877)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	800	-	-	800
Proceeds from leases	1,042,882			1,042,882
Transfers in	55,000	-	2,724,818	2,779,818
Transfers out	(2,418,532)	-	(361,286)	(2,779,818)
Refund of prior period expenditures	13,028	-	-	13,028
Other transactions	85,699	-	-	85,699
Total Other Financing Sources (Uses)	(1,221,123)	-	2,363,532	1,142,409
Net Change in Fund Balances	2,546,484	(8,590,844)	1,243,892	(4,800,468)
Fund Balances, Beginning of Year	20,059,473	8,636,547	8,197,859	36,893,879
Fund Balances, End of Year	$ 22,605,957	$ 45,703	$ 9,441,751	$ 32,093,411

See accompanying notes to basic financial statements.

Berrien Springs Public Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2022

Net change in fund balances - total governmental funds		$(4,800,468)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period:		
Capital outlays	$ 14,758,637	
Depreciation/amortization expense	(3,260,767)	11,497,870
In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold/retired.		(101,907)
Bond premium is amortized over the life of the new bond issue in the Statement of Activities.		159,692
Proceeds from the sale of bonds, loans, and leases are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position.		
Proceeds from leases		(1,042,882)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not effect the Statement of Activities:		
Repayment of bonds		1,315,600
Repayment of lease liabilities		637,792
Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid.		7,753
In the Statement of Net Position, accumulated sick/vacation pay and compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of the benefits earned ($85,805) exceeded the amounts used/paid ($18,474).		(67,331)
The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.		(1,382,226)
The changes in net OPEB liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.		2,748,450
Total change in net position - governmental activities		$ 8,972,343

See accompanying notes to basic financial statements.

Berrien Springs Public Schools
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2022

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Local sources	$16,915,000	$17,084,800	$17,064,216	$ (20,584)
State sources	38,676,255	40,530,510	41,056,571	526,061
Federal sources	2,384,809	4,304,617	4,271,881	(32,736)
Interdistrict sources	1,184,000	1,658,000	1,747,618	89,618
Total Revenues	59,160,064	63,577,927	64,140,286	562,359
Expenditures				
Current:				
Instruction:				
Basic programs	24,490,254	22,664,811	20,709,097	1,955,714
Added needs	5,123,904	6,092,795	5,723,894	368,901
Adult education	51,229	55,854	49,869	5,985
Supporting services:				
Pupil services	4,429,278	4,811,327	4,587,409	223,918
Instructional staff services	5,980,567	8,374,934	7,741,824	633,110
General administrative services	1,219,659	1,148,642	1,042,288	106,354
School administrative services	3,094,503	2,056,708	1,964,746	91,962
Business services	510,565	603,481	567,164	36,317
Operation and maintenance services	6,652,210	5,797,412	4,883,904	913,508
Pupil transportation services	1,942,350	1,772,442	1,641,341	131,101
Central services	5,548,334	3,221,635	3,061,611	160,024
Other supporting services	-	2,601,907	2,454,568	147,339
Community services	2,389,460	2,036,424	1,910,050	126,374
Site improvement services	2,301,944	3,914,622	3,256,833	657,789
Debt service:				
Principal repayment	-	602,898	602,884	14
Interest and fiscal charges	-	175,202	175,197	5
Total Expenditures	63,734,257	65,931,094	60,372,679	5,558,415
Excess (Deficiency) of Revenues Over Expenditures	(4,574,193)	(2,353,167)	3,767,607	6,120,774
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	800	800	-
Proceeds from leases	-	1,079,122	1,042,882	(36,240)
Transfers in	-	-	55,000	55,000
Transfers out	-	(2,482,363)	(2,418,532)	(63,831)
Refund of prior period expenditures	-	13,000	13,028	(28)
Other transactions	-	99,000	85,699	13,301
Total Other Financing Sources (Uses)	-	(1,290,441)	(1,221,123)	(31,798)
Net Change in Fund Balances	(4,574,193)	(3,643,608)	2,546,484	6,088,976
Fund Balances, Beginning of Year	20,059,473	20,059,473	20,059,473	-
Fund Balances, End of Year	$15,485,280	$16,415,865	$22,605,957	$ 6,088,976

NOTES TO BASIC FINANCIAL STATEMENTS

Note A - Summary of Significant Accounting Policies

Berrien Springs Public Schools (the "District") was organized under the School Code of the State of Michigan and services a population of approximately 4,052 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, pre-school programs, athletic activities, special education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

The District's significant accounting policies are described below.

1. Reporting Entity

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

2. District-wide and Fund Financial Statements

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, unrestricted state aid, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund and the 2019 Construction PAC Fund are the District's major funds. Nonmajor funds are aggregated and presented in a single column.

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

Revenues are recognized when susceptible to accrual, i.e., both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

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

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

District-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

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

Governmental Funds

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

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

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

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

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

Capital Projects Funds **-** Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished. The District currently maintains four Capital Projects Funds.

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

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

4. Budgets and Budgetary Accounting

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

Berrien Springs Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Prior to June 30, the Superintendent of the District submits to the school board a proposed operating budget for the fiscal year commencing July 1 of that year. The operating budget includes proposed expenditures and the means of financing them.

- Prior to July 1, the budget is legally enacted through passage of a resolution, and in accordance with Public Act 621 of the State.

- Formal budgetary integration is employed as a management control device during the year for all budgetary funds.

- The District is required under Public Act 621 of 1978 and by accounting principles generally accepted in the United States of America to adopt a budget for the General Fund and any Special Revenue Funds.

- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles and are reported in the financial statements as originally adopted and as amended by the Board of Education.

5. Encumbrances

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

6. Investments

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

7. Inventories/Prepaid Items

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

8. Capital Assets

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

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

Buildings and site improvements, buses and other vehicles, furniture and equipment, and leasehold improvements are depreciated using the straight-line method over the following estimated useful lives:

Building and site improvements	5 - 50 years
Buses and other vehicles	5 - 10 years
Furniture and equipment	5 - 20 years
Leasehold improvements	3 - 5 years

The right-to-use assets are related to leases of buildings and are amortized over the lease term.

9. Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported as the total amount of bonds issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

10. Early Retirement Incentive/Severance Pay/Accumulated Sick Leave and Vacation Pay

Accumulated sick leave and vacation pay at June 30, 2022 have been computed and recorded in the basic financial statements of the District. Employees who leave the District are entitled to reimbursement for a portion of their unused vacation days. At June 30, 2022, the accumulated liabilities, including salary-related payments, (expected to be financed by General Fund revenues) for accumulated vacation pay amounted to $88,822.

11. Retirement Plan

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (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. Plan investments are reported at fair value.

12. Postemployment Benefits Plan Other Than Pensions

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

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (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. Plan investments are reported at fair value.

13. Deferred Outflows/Inflows of Resources

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

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

14. Net Position

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

15. Fund Balance

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

- Nonspendable - resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).

- Restricted - resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

- Committed - resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts. Committed fund balance does not lapse at year end.

- Assigned - resources that are constrained by the government's *intent* to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes.

- Unassigned - unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

As of June 30, 2022, Berrien Springs Public Schools had not established a policy for its use of unrestricted fund balance amounts; it considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used, but reserves the right to selectively spend unassigned resources first to defer the use of other classified funds. The Board of Education intends to maintain a fund balance of 15% of the District's General Fund annual operating expenditures.

16. Interfund Activity

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

17. Estimates

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

Note B - Cash Equivalents and Investments

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

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.
- Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a school district in Michigan.

Balances at June 30, 2022 related to cash equivalents and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Position:	
Governmental activities	$ 27,422,626

Cash Equivalents

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

1. Huntington Bank
2. United Federal Credit Union
3. Honor Credit Union

Cash equivalents consist of bank public funds checking and money market accounts.

June 30, 2022 balances are detailed as follows:

Cash equivalents	$ 9,331,163

Custodial Credit Risk Related to Bank Deposits
Custodial credit risk is the risk that in the event of bank failure, the District's bank deposits may not be returned to the District. Protection of District bank deposits is provided by the Federal Deposit Insurance Corporation and the National Credit Union Administration. At year end, the carrying amount of the District's cash equivalents was $9,331,163 and the bank balance was $10,541,052. Of the bank balance, $4,889,989 was covered by federal depository insurance and $5,651,062 was uninsured and uncollateralized.

Investments

As of June 30, 2022, the District had the following investments:

Surplus Funds Investment Pool Accounts:	
Michigan Liquid Assets Fund Plus (MILAF+) – Cash Management	$ 13,033,415
Michigan CLASS	5,058,048
	$ 18,091,463

The Michigan Liquid Asset Fund Plus (MILAF+) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF is not regulated or registered with the Securities Exchange Commission and reported the same value of the pool shares as the fair value of the District's investment at June 30, 2022. The MILAF+ fund is carried at amortized cost and was rated AAAm by Standard & Poor's rating agency.

The Michigan Cooperative Liquid Asset Securities System (Michigan CLASS) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. Michigan CLASS is not regulated or registered with the Securities Exchange Commission and reported the same value of the pool shares as the fair value of the District's investment at June 30, 2022. The Michigan CLASS is carried at amortized cost and was rated AAAm by Standard & Poor's rating agency.

Fair Market Value Measurement
The District is required to disclose amounts within a framework established for measuring value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in the active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing and investment and would be based on the best information available. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. The District will minimize custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business. At June 30, 2022, the District had no investments that were subject to custodial credit risk.

Credit Risk Related to Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy does not specifically address credit risk but minimizes its credit risk by limiting investments to the types allowed by the State. Mutual fund investments must have a par share value intended to maintain a net asset value of at least $1.00 per share.

Interest Rate Risk

The District minimizes interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investments in a single issuer, so that the impact of potential losses from any one type of security or issuer will be minimized. The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security.

Foreign Currency Risk

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

Note C - State School Aid/Property Taxes

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

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February 2021 and October 2021. The 2021-2022 "Foundation Allowance" for Berrien Springs Public Schools was $8,700 for 4,042 "Full Time Equivalent" students, generating $40,305,573 in state aid payments to the District of which $7,311,775 was paid to the District in July and August 2022 and is included in "Due From Other Governmental Units" of the General Fund and Food Service Fund at June 30, 2022.

Property taxes for the District are levied July 1 and December 1 (the tax lien date) under a split-levy system by the Townships of Berrien, Oronoko, and Royalton, and are due 75 days after the levy date. The taxes are then collected by each governmental unit and remitted to the District. The County of Berrien, through its Delinquent Tax Revolving Fund, advances all delinquent real property taxes at March 1 to the District each year prior to June 30.

Section 1211(1) of 1993 PA 32 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

As Berrien Springs Public Schools electors had previously (May 2018) approved an operating millage extension, the 18 mill non-homestead property tax was levied in the District for 2021.

The District levied 3.75 mills in 2021 for debt service purposes applied on all taxable property in the District.

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

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

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

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

For the year ended June 30, 2022, the District’s property tax revenues were reduced by $1,568 under these agreements.

Note D - Due From/To Other Funds/Interfund Transfers

Amounts due from (to) other funds, representing interfund receivables and payables for year-end expenditure allocations not reimbursed at June 30, 2022 are detailed as follows:

	Due From	Due To
Major Funds		
General Fund:		
Special Revenue Funds:		
Food Service Special Revenue Fund	$ 55,490	$ 490
Nonmajor Funds		
Special Revenue Funds:		
Food Service Special Revenue Fund:		
General Fund	490	55,490
Total All Funds	$ 55,980	$ 55,980

Transfers between the funds during the year ended June 30, 2022 were as follows:

	Transfers In	Transfers Out
Major Fund		
General Fund:		
Special Revenue Fund:		
Food Service Fund	$ 55,000	$ -
Debt Service Fund:		
2021 Energy Debt	-	52,134
2009 QZAB	-	68,732
2009 QSCB	-	66,666
2012 QZAB	-	145,000
2019 Athletic	-	586,000
Capital Projects Fund:		
Public Improvement Fund	-	1,500,000
Total Major Fund	55,000	2,418,532
Nonmajor Funds		
Special Revenue Fund:		
Food Service Fund:		
General Fund	-	55,000
Debt Service Fund:		
2021 Energy Debt Service Fund:		
General Fund	52,134	-
2021 Energy Conservation	93,352	-
2009 QZAB:		
General Fund	68,732	-
Building and Site Sinking Fund	212,934	-
2009 QSCB:		
General Fund	66,666	-
2012 QZAB:		
General Fund	145,000	-
2019 Athletic:		
General Fund	586,000	-
Capital Projects Fund:		
Building and Site Sinking Fund:		
2009 QZAB	-	212,934
Public Improvement Fund:		
General Fund	1,500,000	-
2021 Energy Conversation Improvement:		
2021 Energy Debt	-	93,352
Total Nonmajor Funds	2,724,818	361,286
Total All Funds	$ 2,779,818	$ 2,779,818

Note E - Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balances July 1, 2021	Adjustments	Additions	Deductions	Balances June 30, 2022
Capital assets not being depreciated:					
Land	$ 2,061,044	$ -	$ 853,285	$ -	$ 2,914,329
Construction in progress	25,460,530	-	12,251,360	12,770,107	24,941,783
Total capital assets not being depreciated	27,521,574	$ -	$ 13,104,645	$ 12,770,107	27,856,112
Capital assets being depreciated and amortized:					
Building and site improvements	34,747,441	$ -	$ 12,152,694	$ 566,236	46,333,899
Buses and other vehicles	2,595,875	-	241,536	194,495	2,642,916
Furniture and equipment	2,353,110	-	127,159	96,011	2,384,258
Leasehold improvements	1,724,833	-	859,828	47,010	2,537,651
Intangible right-to-use assets	-	4,130,490	1,042,882	-	5,173,372
Total capital assets being depreciated and amortized	41,421,259	$ 4,130,490	$ 14,424,099	$ 903,752	59,072,096
Less accumulated depreciation for:					
Building and site improvements	16,808,049	$ -	$ 1,811,733	$ 465,312	18,154,470
Buses and other vehicles	1,827,766	-	216,121	194,495	1,849,392
Furniture and equipment	1,456,800	-	225,937	95,028	1,587,709
Leasehold improvements	1,077,298	-	263,672	47,010	1,293,960
Less accumulated amortization for:					
Intangible right-to-use assets	-	-	743,304	-	743,304
Total accumulated depreciation and amortization	21,169,913	$ -	$ 3,260,767	$ 801,845	23,628,835
Total capital assets being depreciated and amortized, net	20,251,346				35,443,261
Net Capital Assets	$ 47,772,920				$ 63,299,373

Total depreciation and amortization for fiscal year ended June 30, 2022 amounted to $3,260,767. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

Note F - Long-term Obligations

Changes in long-term obligations for the year ended June 30, 2022 are summarized as follows:

	Debt Outstanding July 1, 2021	Adjustments	Debt Added	Debt Retired	Debt Outstanding June 30, 2022
General obligation bonds:					
July 23, 2009	$ 4,225,000	$ -	$ -	$ -	$ 4,225,000
October 1, 2009	1,000,000	-	-	-	1,000,000
August 1, 2012	809,200	-	-	115,600	693,600
Febraury 19, 2019	7,145,000	-	-	300,000	6,845,000
February 26, 2019	16,045,000	-	-	775,000	15,270,000
March 9, 2021	1,360,000	-	-	125,000	1,235,000
Bond premium	2,697,834	-	-	159,692	2,538,142
Lease liabilities	-	4,130,490	1,042,882	637,792	4,535,580
Accumulated vacation/sick leave	21,491	-	85,805	18,474	88,822
	$ 33,303,525	$ 4,130,490	$ 1,128,687	$ 2,131,558	$ 36,431,144

Long term obligations at June 30, 2022 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
$4,225K 2009 QZAB:				
Principal maturity of $4,225,000	July 23, 2024	-	$ 4,225,000	$ -
$1,000K 2009 QSCB:				
Principal maturity of $1,000,000	October 1, 2024	-	1,000,000	-
$1,734K 2012 QZAB:				
Annual maturities of $115,600	August 1, 2027	4.25	693,600	115,600
$7,655K 2019 Athletic Facilities Improvement:				
Annual maturities of $315K to $555K	May 1, 2038	4.00	6,845,000	315,000
$17,215K 2019 School Building & Site:				
Annual maturities of $600K to $1,230K	May 1, 2038	5.00	15,270,000	835,000
$1,360K 2021 Energy Conservation Improvement:				
Annual maturities of $125K to $150K	May 1, 2031	1.00 - 1.25	1,235,000	125,000
Bond premium			2,538,143	159,692

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
Lease Liabilities				
$144,693 Building Lease April 1, 2022: Annual maturities of $10,355 to $59,772	September 1, 2024	3.29	$ 126,206	$ 56,079
$51,673 Building Lease July 1, 2021: Annual maturity of $25,312	June 1, 2023	3.29	25,312	25,312
$178,115 Building Lease July 1, 2021: Annual maturities of $19,078 to $55,717	November 1, 2024	3.29	127,606	52,811
$898,189 Building Lease July 8, 2021: Annual maturities of $71,520 to $110,649	June 8, 2031	3.29	828,866	71,520
$130,934 Building Lease July 1, 2021: Annual maturities of $25,708 to $27,454	June 1, 2026	3.29	105,700	25,708
$54,556 Building Lease July 1, 2021: Annual maturities of $10,712 to $11,439	June 1, 2026	3.29	44,041	10,712
$138,804 Building Lease July 1, 2021: Annual maturity of $69,472	June 1, 2023	3.29	69,472	69,472
$67,733 Building Lease July 1, 2021: Annual maturity of $13,814	October 1, 2022	3.29	13,814	13,814
$830,344 Building Lease July 1, 2021: Annual maturities of $64,079 to $90,083	June 1, 2032	3.29	771,477	64,079
$284,224 Building Lease July 1, 2021: Annual maturities of $13,258 to $51,678	October 1, 2027	3.29	244,778	41,104
$777,098 Building Lease July 1, 2021: Annual maturities of $58,514 to $88,083	July 1, 2032	3.29	725,630	58,514
$166,005 Building Lease July 1, 2021: Annual maturities of $30,257 to $33,391	April 1, 2027	3.29	153,235	30,257
$313,816 Building Lease July 1, 2021: Annual maturities of $13,042 to $38,024	November 1, 2031	3.29	290,159	24,221
$218,818 Building Lease July 1, 2021: Annual maturities of $26,149 to $51,026	January 1, 2026	3.29	173,738	47,186
$819,624 Building Lease July 1, 2021: Annual maturities of $53,045 to $87,285	March 1, 2033	3.29	768,483	53,045
$98,743 Building Lease July 1, 2021: Annual maturities of $33,222 to $33,841	June 1, 2024	3.29	67,063	33,841
Other Obligations				
Accumulated vacation/sick leave			88,822	20,000
			$36,431,145	$ 2,247,967

The annual requirements to pay principal and interest on long-term bonds outstanding are as follows:

	General Obligation Bonds		Lease Liabilities	
Year Ended June 30	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 1,390,600	$ 1,056,790	$ 677,675	$ 138,814
2024	1,260,600	996,277	599,310	117,916
2025	6,535,600	942,564	499,459	99,377
2026	1,365,600	886,501	460,198	83,619
2027	1,420,600	827,701	407,058	69,443
2028	1,475,600	766,300	373,732	56,513
2029	1,420,000	707,400	381,688	44,232
2030	1,475,000	645,838	398,077	31,428
2031	1,540,000	581,675	404,951	18,078
2032	1,445,000	524,200	273,627	6,607
2033	1,495,000	466,400	59,805	740
2034	1,560,000	396,300	-	-
2035	1,630,000	323,100	-	-
2036	1,700,000	246,600	-	-
2037	1,770,000	166,800	-	-
2038	1,785,000	83,700	-	-
	$ 29,268,600	$ 9,618,145	$ 4,535,580	$ 666,767

Lease Commitments

During the year ended June 30, 2022, the District implemented the guidance in GASB No. 87, Leases, and recognized the value of buildings leased under long-term contracts, see additional details in Note L.

Note G - Retirement Plan

Plan Description

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

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

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

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

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

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

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, 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.

Pension Reform 2010

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

Pension Reform 2012

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

Option 1 members voluntarily elected to increase their contributions to the pension fund as noted below and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment.

- Basic Plan members; 4% contribution
- Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

Option 2 members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic Plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

Option 3 members voluntarily elected not to increase their contribution to the pension fund and maintain their current level of contribution to the pension fund. The pension formula for their years of service as of the day before their transition date will include a 1.5% pension factor. The pension formula for any service thereafter will include a 1.25% pension factor.

Option 4 members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to a tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS to a 457 account. They vest in employer contributions and related earnings in their 401(k) account based on the following schedule: 50% at 2 years, 75% at 3 years, and 100% at 4 years of service. They are 100% vested in any personal contributions and related earnings in the 457 account. Upon retirement, if they meet age and service requirements (including their total years of service), they would also receive a pension (calculated based on years of service and Final Average Compensation as of the day before their transition date and a 1.5% pension factor).

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose. Employees who first work on or after September 4, 2012, choose between two retirement plans: the Pension Plus plan described above and a Defined Contribution (DC) plan that provides a 50% employer match (up to 3% of salary) on employee contributions. New employees are automatically enrolled as members in the Pension Plus plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus plan and become a qualified participant in the DC plan; if no election is made, they will remain in the Pension Plus plan. If they elect to opt out of the Pension Plus plan, their participation in the DC plan will be retroactive to their date of hire.

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus plan to newly hired employees as of February 1, 2018 and created a new, optional Pension Plus 2 plan with similar plan benefit calculations but containing a 50/50 contribution share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 plan would close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law includes other provisions to the retirement eligibility age, plan assumptions, and unfunded liablity payment methods.

Regular Retirement

The retirement benefit for DB and Pension Plus plan members is based on a member's years of credited service (employment) and final average compensation (FAC). The FAC is calculated based on the member's highest total wages earned during a specific period of consecutive calendar months divided by the service credit accrued during that same time period. For a Member Investment Plan (MIP) member, who became a member of MPSERS prior to July 1, 2010, the averaging period is 36 consecutive months. For a Pension Plus member, who became a member of MPSERS after June 30, 2010, the averaging period is 60 consecutive months. For a Basic Plan member, this is the 60 consecutive months yielding the highest total wages. The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012 and is shown below:

Option 1: FAC x total years of service x 1.5%
Option 2: FAC x 30 years of service x 1.5% + FAC x years of service beyond 30 x 1.25%
Option 3: FAC x years of service as of transition date x 1.5% + FAC x years of service after transition date x 1.25%
Option 4: FAC as of transition date x years of service as of transition date x 1.5%

A MIP member who became a member of MPSERS prior to July 1, 2010 may retire at:

- age 46 with 30 or more years of credited service; or
- age 60 with 10 or more years of credited service; or
- age 60 with 5 years of credited service provided the member has worked through his or her 60th birthday and has credited service in each of the five school fiscal years immediately preceding the retirement effective date.

A Pension Plus member may retire at age 60 with 10 or more years of credited service.

A Pension Plus 2 member may retire at age 60 with 10 or more years of credited service. Section 81c(5) of PA 300 as amended requires the regular retirement age to be increased in whole year increments based on the results of mortality analysis five-year actuarial experience studies performed after October 1, 2019 and the actuarial funding status of the plan. If the regular retirement age for Pension Plus 2 members is increased in accordance with this provision, members within five years of retirement from the effective date of the increase are automatically exempted and the retirement board may additionally authorize those between five and eight years of the then current retirement age to be exempted.

A Basic Plan member may retire at:

- age 55 with 30 or more years of service; or
- age 60 with 10 or more years of service.

There is no mandatory retirement age.

Early Retirement

A MIP or Basic member may retire with an early permanently reduced pension:

- after completing at least 15 but less than 30 years of credited service; and
- after attaining age 55; and
- with credited service in each of the 5 school years immediately preceding the pension effective date.

The early pension is computed in the same manner as a regular pension but is permanently reduced 0.5% for each full and partial month between the pension effective date and the date the member will attain age 60.

Deferred Retirement

If a member terminates employment before attaining the age qualification, but after accruing 10 or more years of credited service, the member becomes a deferred member and is eligible for a pension at the time the age qualification is attained.

Non-Duty Disability Benefit

A member with 10 or more years of credited service who becomes totally and permanently disabled due to any non-duty related cause and who has not met the age requirement for a regular pension is eligible for a non-duty disability pension computed in the same manner as an age and service pension, upon recommendation from the member's personal physician and the Retirement Board physician and the approval of the Retirement Board. An Annual Certification of Disability is conducted each January. Upon prior approval, total disability benefits plus authorized outside earnings are limited to 100% of final average compensation (increased by 2% for each year retired; first year 100%, next year 102%, etc.).

Duty Disability Benefit

A member who becomes totally and permanently disabled as a result of a duty-related cause, who has not met the age and service requirement for a regular pension, and who is in receipt of weekly workers' compensation is eligible for a duty disability pension computed in the same manner as an age and service pension (but based upon a minimum of 10 years of service) upon recommendation from the member's personal physician and the Retirement Board physician and the approval of the Retirement Board. An Annual Certification of Disability is conducted each January. Upon prior approval, total disability benefits plus authorized outside earnings are limited to 100% of final average compensation (increased by 2% for each year retired; first year 100%, next year 102%, etc.).

Pension Payment Options

The election of a pension option is made at the time of application. Once a member has retired, the option choice is irrevocable. The pension effective date is the first of the calendar month following the date the member has satisfied the age and service requirements, has terminated public school employment, and has the completed application forms on file with the System for a period of 15 days. A retroactive pension can be paid for no more than 12 calendar months. Thus, delay in filing the application can result in a loss of some retroactive pension benefits. An applicant may select only one of the following options.

Straight Life Pension – the Straight Life Pension pays the largest level pension a retiree can receive during his or her lifetime and stops with the month of the retiree's death. There are no monthly benefits for a beneficiary. The pension benefit is computed with no beneficiary rights. If the retiree made contributions while an employee and has not received the total accumulated contributions before death, a refund of the balance of the contributions is made to the beneficiary of record. If the retiree did not make any contributions, there will not be payments to any beneficiaries.

Survivor Options - Under the Survivor Options, 100% Survivor Pension, 100% Equated, 75% Survivor Pension, 75% Equated, 50% Survivor Pension and 50% Equated, the reduction is an actuarial determination dependent upon the combined life expectancies of a retiree and a beneficiary and varies from case to case. A beneficiary may only be a spouse, brother, sister, parent, or child (including an adopted child) of a retiring member. If the beneficiary predeceases a retiree, the pension will revert to either the Straight Life or Straight Life Equated amount ("pop-up" provision). If, however, a retiree was single at the time of retirement and subsequently married, the retiree can request to nominate a new spouse if they elected the straight life option at retirement. Also, if a retiree was married at the time of retirement and has since been widowed and remarried, the retiree can request to nominate a new spouse as a pension beneficiary as long as they elected a survivor option for the spouse at the time of retirement.

100% Survivor Pension - pays a reduced pension to a retiree. The month after a retiree's death, the same amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

75% Survivor Pension - pays a reduced pension to a retiree. The month after a retiree's death, 75% of the pension amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

50% Survivor Pension - pays a reduced pension to a retiree. The month after a retiree's death, 50% of the pension amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

Equated Plan - For MIP and Basic members, the Equated Plan may be combined with the Straight Life, 100% Survivor, 75% Survivor, or 50% Survivor pension by any member under age 61, except a disability applicant. The Equated Plan provides a higher pension every month until age 62, at which time the monthly pension is permanently decreased to a lower amount than the Straight Life, 100%, 75%, or 50% Survivor alone would provide.

The intent of the Equated Plan is for the retiree's pension to decrease at age 62 by approximately the same amount as that person's Social Security benefit will provide. The System pension until age 62 should be about the same as the combined System pension and Social Security after age 62.

The projected Social Security pension the retiring member obtains from the Social Security Administration and furnishes to the System is used in the Equated Plan calculation. The actual Social Security pension may vary from the estimate.

NOTE: The reduction in the pension at age 62 pertains to the Equated Plan only and affects only the retiree. A beneficiary under 100% Equated, 75% Equated or 50% Equated will receive the 100%, 75%, or 50% Survivor amount the month following the retiree's death as if the Equated Plan had not been chosen. A beneficiary does not participate in the Equated Plan.

Survivor Benefit

A non-duty survivor pension is available if a Member Investment Plan (MIP) member has 10 years of credited service or, if age 60 or older, with five years of credited service; the date they became a MIP member does not matter. The Basic Plan provides a survivor pension with 15 years of credited service or, if age 60 or older, with 10 years of credited service. An active member may nominate as a survivor beneficiary a spouse, child(ren) (including adopted child(ren)), brother, sister, or parent. If other than the spouse is nominated and a spouse exists, the spouse must waive this benefit. If no beneficiary has been nominated, the beneficiary is automatically the spouse; or, if there is no spouse, unmarried children under age 18 share the benefit equally until age 18. The benefit is computed as a regular pension but reduced in accordance with an Option 2 (100% survivor pension factor). The pension begins the first of the month following the member's death. In the event of death of a deferred member, the System begins payment to the nominated beneficiary at the time the member would have attained the minimum age qualification.

A duty survivor pension is payable if weekly Workers' Compensation is being paid to the eligible beneficiary due to the member's death. A spouse receives the benefit (based on a minimum of 10 years of service credit) reduced in accordance with a 100% survivor pension factor. If there is no spouse, unmarried children under age 18 share the benefit equally until age 18; if there is no spouse or child(ren), a disabled and dependent parent is eligible.

Postemployment Adjustments

A retiree who became a Member Investment Plan (MIP) member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of 3% of the initial pension in the October following twelve months of retirement. Basic Plan members do not receive an annual post-retirement increase but are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions. Pension Plus members do not receive an annual post-retirement increase.

On January 1, 1990, pre-October 1, 1981 retirees received an increase that ranged from 1% to 22% dependent upon the pension effective date. On October 1, 1990, the base pension of all retirees with an effective pension date of January 1, 1987, or earlier was increased to include all prior post-retirement adjustments.

On January 1, 1986, all recipients through calendar year 1985 received a permanent 8% increase that established the 1986 base pension. In addition, each October, retirees with a pension effective date of January 1, 1987, or earlier receive a fixed increase equal to 3% of the base pension. Both increases are deducted from the distribution of excess investment income, if any. Beginning in 1983, eligible recipients receive an annual distribution of excess investment income, if any.

Contributions and Funded Status

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 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 the plan fiscal year 2021.

Pension Contribution Rates:

Plan Name	**Member**	**District**
Basic	0.0 - 4.0%	19.78%
Member Investment Plan (MIP)	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%

The District's contributions to MPSERS under all pension plans for the year ended June 30, 2022, inclusive of the MSPERS UAAL Stabilization, totaled $7,363,261.

MPSERS Plan Net Pension Liability (in thousands)

Total Pension Liability	$ 87,569,422
Plan Fiduciary Net Position	63,332,155
Net Pension Liability	$ 24,237,267
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.32%
Net Pension Liability as a Percentage of Covered Employee Payroll	261.49%
Total Covered Payroll	$ 9,269,004

Proportionate Share of Reporting Unit's Net Pension Liability

At June 30, 2022, the District reported a liability of $48,738,178 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2020. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the System during the measurement period by the percent of the pension contributions required from all applicable employers during the measurement period. At September 30, 2021, the District's proportion was 0.20585989%, which was an increase from 0.19662233% at September 30, 2020.

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

For the year ended June 30, 2022, the District recognized pension expense of $8,842,396. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 754,975	$ 287,010
Changes of assumptions	3,072,280	-
Net difference between projected and actual earnings on pension plan investments	-	15,669,168
Changes in proportion and differences between District contributions and proportionate share of contributions	6,039,370	92,147
District contributions subsequent to the measurement date*	6,865,705	-
Total	$ 16,732,330	$ 16,048,325

* This amount, reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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

Year ended June 30	Amount
2023	$ 1,347,793
2024	(805,264)
2025	(2,758,969)
2026	(3,965,260)

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 (Non-Hybrid):	6.80% net of investment expenses
Pension Plus Plan (Hybrid):	6.80% net of investment expenses
Pension Plus 2:	6.00% net of investment expenses
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Cost-of-Living Adjustments:	3% annual non-compounded for MIP members
Mortality:	
Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Active Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Disabled Retirees:	RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Notes:

- Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total pension liability as of September 30, 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 in years: [4.4892 for non-university employers].

- Recognition period for assets in years: 5.0000.

- 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 Rate of Return on Investments

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

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.4%
Private Equity Pools	16.0%	9.1%
International Equity Pools	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)%
Total	**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 investments, 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, 6.0% for the Pension Plus 2 plan). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease 5.8%/5.8%/5.0%	Current Single Discount Rate Assumption 6.8%/6.8%/6.0%	1% Increase 7.8%/7.8%/7.0%
District's proportionate share of the net pension liability	$ 69,682,377	$ 48,738,178	$ 31,374,064

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 Michigan Public School Employees' Retirement System September 30, 2021 Annual Comprehensive Financial Report, available here: (www.michigan.gov/orsschools).

Payables to the Michigan Public School Employees' Retirement System (MPSERS)

Payables to the pension plan totaling $1,083,836 at June 30, 2022 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note H - Other Postemployment Benefits

Plan Description

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

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

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

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

Benefits Provided

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

Retiree Healthcare Reform of 2012

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

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

Contributions and Funded Status

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 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 2021:

OPEB Contribution Rates:

Benefit Structure	**Member**	**District**
Premium Subsidy	3.0%	8.43%
Personal Healthcare Fund (PHF)	0.0%	7.57%

Required contributions to the OPEB plan from the District were $1,851,355 for the year ended June 30, 2022.

Net OPEB Liability (in thousands)

Total OPEB Liability	$ 12,225,697
Plan Fiduciary Net Position	10,742,198
Net OPEB Liability	$ 1,483,499
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	87.87%
Net OPEB Liability as a Percentage of Covered Employee Payroll	16.00%
Total Covered Payroll	$ 9,269,004

Proportionate Share of Reporting Unit's Net OPEB Liability

At June 30, 2022, the District reported a liability of $3,182,150 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 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 District's proportion was 0.20847724%, which was an increase from 0. 20559186% at September 30, 2020.

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

For the year ended June 30, 2022, the District recognized an OPEB credit of $967,338. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 9,083,222
Changes of assumptions	2,660,120	398,053
Net difference between projected and actual earnings on OPEB plan investments	-	2,398,444
Changes in proportion and differences between District contributions and proportionate share of contributions	2,232,949	26,747
District contributions subsequent to the measurement date*	1,626,713	-
Total	$ 6,519,782	$ 11,906,466

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

Year ended June 30	Amount
2023	$ (1,583,798)
2024	(1,513,051)
2025	(1,599,176)
2026	(1,624,498)
2027	(612,517)
Thereafter	(80,357)

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 expense
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Healthcare Cost Trend Rate:	Pre-65 - 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65 – 5.25% Year 1 graded to 3.5% Year 15; 3.0% Year 120
Mortality:	
Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Active Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Disabled Retirees:	RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Other Assumptions:

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

Notes:

- Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2018 valuation. The total OPEB liability as of September 30, 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 in years: [5.6018 for non-university employers].
- Recognition period for assets in years: 5.0000.
- 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 Rate of Return on Investments

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

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.4%
Private Equity Pools	16.0%	9.1%
International Equity Pools	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)%
Total	**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 investments, 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 District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 6.95 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
District's proportionate share of the net OPEB liability	$ 5,913,010	$ 3,182,150	$ 864,626

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 774,510	$ 3,182,150	$ 5,891,036

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

Payables to the OPEB plan totaling $219,733 at June 30, 2022 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note I - Risk Management and Benefits

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The District has purchased commercial insurance for property loss, errors and omissions, workers' compensation, health benefits, and dental and vision benefits provided to employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage in fiscal 2021-22, and as of year ended June 30, 2022, there were no material pending claims against the District.

The shared-risk pool program in which the District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts. The pool does not maintain separate funds for members and consequently the District's share of total assets and total equity is unknown.

Note J – Stewardship, Compliance and Accountability

The District has an unrestricted net position deficit of $34,105,872 as of June 30, 2022. These deficit net positions result primarily from the net pension liability of $48,054,173 and net OPEB liability of $8,568,834 (net of deferred outflows and inflows of resources).

Note K - Commitments

On February 26, 2019, the District issued $17,215,000 of general obligation 2019 Construction bonds whose proceeds are being used for land improvements, building renovations and additions, and furniture and equipment purchases. At June 30, 2022 unspent balances committed to these construction projects totaled $45,703.

Note L - Joint Venture

The District has joined Berrien County in re-establishing a Truancy Academy. The Academy provides educational services in an effort to increase the youths' skills and keep them from future involvement with the court system including potential out-of-home placements.

The District does not expect to receive residual equity from the above joint venture. The District is unaware of any indication that the joint venture is accumulating significant financial resources or is experiencing fiscal stress that may cause an additional financial benefit or burden on the District in the near future.

Note M – New Accounting Pronouncement Adopted

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* was adopted by the District during the fiscal year ending June 30, 2022. This statement enhances the relevance and consistency of information about governments' leasing activities 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Upon implementation, the District recognized right-to-use lease assets and liabilities totaling $4,130,490 as of July 1, 2021, entered into new leases during the current year totaling $1,042,882, and paid down balances in the amount of $637,792, the ending lease liability balance totaled $4,535,580. Net position as of July 1, 2021 was not required to be restated as a result of implementing the Statement.

<u>REQUIRED SUPPLEMENTARY INFORMATION</u>

Berrien Springs Public Schools
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2022

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020
District's proportion of the net pension liability	0.20585989%	0.19662233%	0.18249104%
District's proportionate share of the net pension liability	$48,738,178	$67,541,909	$60,434,897
District's covered-employee payroll	$19,189,798	$19,093,660	$17,429,878
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	253.98%	353.74%	346.73%
Plan fiduciary net position as a percentage of the total pension liability	72.60%	59.72%	60.08%

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

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

See accompanying notes to required supplementary information.

Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
0.16598751%	0.15397781%	0.13883048%	0.12728261%	0.11518860%
$49,898,842	$ 39,902,196	$ 34,637,069	$ 31,088,812	$ 25,372,023
$15,802,298	$ 14,051,544	$ 13,054,515	$ 11,645,242	$ 9,887,039
315.77%	283.97%	265.33%	266.97%	256.62%
62.12%	63.96%	63.27%	63.17%	66.20%

Berrien Springs Public Schools
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2022

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020
District's proportion of the net OPEB liability	0.20847724%	0.20559186%	0.19023969%
District's proportionate share of the net OPEB liability	$ 3,182,150	$ 11,014,105	$ 13,654,926
District's covered-employee payroll	$ 19,189,798	$ 19,093,660	$ 17,429,878
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	16.58%	57.68%	78.34%
Plan fiduciary net position as a percentage of the total OPEB liability	87.33%	59.44%	48.67%

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

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

See accompanying notes to required supplementary information.

Year Ended June 30, 2019	Year Ended June 30, 2018
0.17555384%	0.15443446%
$ 13,954,690	$ 13,675,899
$ 15,802,298	$ 14,051,544
88.31%	97.33%
43.10%	36.53%

(Continued)

Berrien Springs Public Schools
Required Supplementary Information
Schedule of District Pension Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2022

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019
Contractually required contribution	$ 7,363,261	$ 6,001,204	$ 5,420,560	$ 4,862,821
Contributions in relation to the contractually required contribution	7,363,261	6,001,204	5,420,560	4,862,821
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 22,696,693	$ 18,885,515	$ 19,002,562	$ 17,247,046
Contributions as a percentage covered employee payroll	32.44%	31.78%	28.53%	28.20%

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

See accompanying notes to required supplementary information.

Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
$ 3,865,920	$ 3,117,510	$ 2,455,447	$ 2,287,763
3,865,920	3,117,510	2,455,447	2,287,763
$ -	$ -	$ -	$ -
$ 15,794,293	$ 13,054,515	$ 11,645,242	$ 10,579,437
24.48%	23.88%	21.09%	21.62%

Berrien Springs Public Schools
Required Supplementary Information
Schedule of District OPEB Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2022

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020
Contractually required contribution	$ 1,851,355	$ 1,594,415	$ 1,518,969
Contributions in relation to the contractually required contribution	1,851,355	1,594,415	1,518,969
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 22,696,693	$ 18,885,515	$ 19,002,562
Contributions as a percentage of covered employee payroll	8.16%	8.44%	7.99%

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

See accompanying notes to required supplementary information.

Year Ended June 30, 2019	Year Ended June 30, 2018
$ 1,328,922	$ 1,143,581
1,328,922	1,143,581
$ -	$ -
$ 17,247,046	$ 15,794,293
7.71%	7.24%

Note A - Net Pension Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2021-22.

Changes of assumptions: There were no changes of benefit assumptions in 2021-22.

Note B - Net OPEB Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2021-22.

Changes of assumptions: There were no changes of benefit assumptions in 2021-22.

SUPPLEMENTARY INFORMATION

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GENERAL FUND

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

Berrien Springs Public Schools
General Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash	$ 1,847	$ 3,014
Cash equivalents and investments	17,929,252	13,603,055
Accounts receivable	3,166,793	3,569,920
Due from other funds	55,490	30,585
Due from other governmental units	9,371,059	7,806,018
Inventory	18,514	18,483
Deposits	516	-
Total Assets	$ 30,543,471	$ 25,031,075
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 679,601	$ 425,122
Due to other funds	490	4,085
Due to other governmental units	1,467,488	494,636
Salaries payable	2,655,180	2,316,512
Accrued expenditures	559,839	1,199,782
Unearned revenue	2,574,916	531,465
Total Liabilities	7,937,514	4,971,602
Fund Balances		
Nonspendable	18,514	18,483
Assigned	4,574,193	4,574,193
Unassigned	18,013,250	15,466,797
Total Fund Balances	22,605,957	20,059,473
Total Liabilities and Fund Balances	$ 30,543,471	$ 25,031,075

Berrien Springs Public Schools
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2022 and 2021

	2022	2021
Local sources:		
Property taxes:		
Current property taxes	$ 2,099,399	$ 2,033,387
Delinquent property taxes	38,679	40,529
Interest on delinquent taxes	7,200	8,503
	2,145,278	2,082,419
Investment earnings:		
Earnings on deposits and investments	35,415	11,422
Revenue from student activities:		
Athletics admissions	32,783	2,413
Revenue from community service activities:		
Tuition	1,368	-
Other local revenue:		
Rental of school facilities	946	1,500
Donations	161,380	81,049
Transportation fees	998	-
Virtual academy	14,558,501	13,254,247
Miscellaneous	127,547	77,538
	14,849,372	13,414,334
Total local sources	17,064,216	15,510,588
State sources:		
State aid	40,334,588	39,051,932
Mental health and support services	60,559	78,166
English second language	95,414	72,927
Great start readiness program	269,032	242,792
Vocational education	126,826	70,609
CTE Section 61c	122,241	-
CTE dual enrollment program	20,319	18,905
MPSERS forfeiture credit	27,592	80,888
Total state sources	41,056,571	39,616,219
Federal sources:		
Title I	497,776	456,498
Title IIA	67,066	96,063
Education stabilization fund	1,907,231	2,269,698
Title III	64,480	57,982
Title IV	31,235	34,443
Special education cluster	317,541	269,549
Medicaid - outreach	24,105	20,334
Carl D. Perkins - basic grants to state	23,462	15,520
Emergency connectivity grant	1,338,371	-
Homeless grants	-	252
PEBT local cost grant	614	-
Total federal sources	4,271,881	3,220,339

(Continued)

Berrien Springs Public Schools
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2022 and 2021

	2022	2021
Interdistrict sources:		
Special education - tuition	$ 728,275	$ 492,997
Hearing impaired	923,558	779,297
Vocational education	77,130	104,554
Other	18,655	3,042
Total interdistrict sources	1,747,618	1,379,890
Total Revenues	$ 64,140,286	$ 59,727,036

Berrien Springs Public Schools
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	$ 2,510,724	$ 2,043,473
Employee benefits	1,918,963	1,588,742
Purchased services	268,224	147,682
Supplies	317,699	368,104
Capital outlay	191,265	4,862
Miscellaneous	6,087	2,701
	5,212,962	4,155,564
Middle school:		
Salaries	1,610,107	1,407,263
Employee benefits	1,142,547	967,692
Purchased services	119,819	106,190
Supplies	62,754	173,006
Capital outlay	77,628	112,815
Miscellaneous	4,965	1,796
	3,017,820	2,768,762
High school:		
Salaries	4,973,309	5,220,991
Employee benefits	3,367,701	3,569,903
Purchased services	918,139	1,279,331
Supplies	713,784	795,576
Capital outlay	2,035,585	2,390,371
Miscellaneous	85,930	28,647
Payments to other districts	96,275	87,034
	12,190,723	13,371,853
Preschool:		
Salaries	147,960	139,299
Employee benefits	113,684	107,179
Purchased services	915	207
Supplies	439	7,253
Miscellaneous	1,644	369
	264,642	254,307
Summer school:		
Salaries	14,992	85,669
Employee benefits	7,958	41,379
Purchased services	-	10,412
	22,950	137,460
Total basic programs	20,709,097	20,687,946
Added needs:		
Special education:		
Salaries	1,755,757	1,428,779
Employee benefits	1,230,809	1,003,558
Purchased services	90,995	60,088
Supplies	80,639	40,333
Miscellaneous	1,144	89
Payments to other districts	19,234	21,685
	3,178,578	2,554,532

(Continued)

Berrien Springs Public Schools
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Compensatory education:		
Salaries	$ 1,102,449	$ 849,005
Employee benefits	698,174	536,951
Purchased services	-	193,671
Supplies	34,759	30,104
	1,835,382	1,609,731
Career and technical education:		
Salaries	240,145	199,637
Employee benefits	149,830	122,175
Purchased services	40,396	73,009
Supplies	33,498	9,944
Capital outlay	122,241	-
Miscellaneous	17,984	4,323
Payments to other districts	105,840	117,838
	709,934	526,926
Total added needs	5,723,894	4,691,189
Adult Education:		
Salaries	25,545	16,194
Employee benefits	13,220	5,754
Supplies	11,104	7,408
	49,869	29,356
Total instruction	26,482,860	25,408,491
Supporting services:		
Pupil services:		
Truancy/absenteeism services:		
Salaries	480,812	378,614
Employee benefits	324,997	248,835
Purchased services	9,729	753
Supplies	508	100
	816,046	628,302
Guidance services:		
Salaries	654,017	359,848
Employee benefits	485,023	243,036
Purchased services	7,975	360
Supplies	2,805	3,142
Capital outlay	1,860	361
Miscellaneous	2,547	2,133
	1,154,227	608,880
Physical therapist services:		
Salaries	60,252	52,806
Employee benefits	31,703	27,445
Purchased services	4,811	3,058
Supplies	6,727	5,026
	103,493	88,335

(Continued)

Berrien Springs Public Schools
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Psychological services:		
Purchased services	$ 43,033	$ 52,501
Speech pathology services:		
Salaries	515,779	428,997
Employee benefits	387,600	321,459
Purchased services	13,783	8,223
Supplies	81,459	71,054
Capital outlay	-	12,661
Miscellaneous	6,053	4,035
	1,004,674	846,429
Social worker services:		
Salaries	663,611	497,105
Employee benefits	510,048	400,279
Purchased services	70,033	24,710
Supplies	3,895	2,697
Miscellaneous	1,057	-
	1,248,644	924,791
Teacher consultant services:		
Salaries	108,429	125,480
Employee benefits	72,598	86,774
Purchased services	4,708	4,205
Supplies	2,732	1,601
Miscellaneous	1,913	1,093
	190,380	219,153
Other pupil services:		
Salaries	25,000	34,814
Employee benefits	1,912	7,037
	26,912	41,851
Total pupil services	4,587,409	3,410,242
Instructional staff services:		
Improvement of instruction:		
Salaries	441,893	421,315
Employee benefits	301,967	285,468
Purchased services	258,330	98,825
Supplies	7,934	18,188
Capital outlay	4,384	5,542
Miscellaneous	20,763	7,253
	1,035,271	836,591
Educational media services:		
Salaries	76,239	69,542
Employee benefits	61,198	55,074
Purchased services	6,332	6,124
Supplies	23,604	5,366
Capital outlay	1,287	3,906
Miscellaneous	306	-
	168,966	140,012

(Continued)

Berrien Springs Public Schools
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Technology assisted instruction:		
Salaries	$ 186,988	$ 166,120
Employee benefits	139,309	124,972
Purchased services	1,012,607	1,142,854
Supplies	130,901	70,458
Capital outlay	1,788	52,841
Miscellaneous	190	400
	1,471,783	1,557,645
Supervision and direction of instruction:		
Salaries	2,637,815	1,060,560
Employee benefits	1,816,130	642,037
Purchased services	362,728	321,935
Supplies	21,912	24,518
Capital outlay	20,095	17,713
Miscellaneous	12,683	10,543
	4,871,363	2,077,306
Academic student assessment:		
Salaries	59,755	56,779
Employee benefits	48,927	49,369
Purchased services	8,990	5,421
Supplies	76,769	72,212
	194,441	183,781
Total instructional staff services	7,741,824	4,795,335
General administrative services:		
Board of education:		
Salaries	8,400	7,440
Employee benefits	756	669
Purchased services	217,680	171,000
Miscellaneous	51,058	36,297
	277,894	215,406
Executive administration:		
Salaries	342,992	268,818
Employee benefits	264,311	222,052
Purchased services	93,873	78,037
Supplies	3,526	1,433
Capital outlay	18,429	6,663
Miscellaneous	41,263	909
	764,394	577,912
Grant writer/grant procurement:		
Purchased services	-	3,000
Total general administrative services	1,042,288	796,318
School administrative services:		
Office of the principal:		
Salaries	815,616	817,794
Employee benefits	579,499	551,921
Purchased services	2,324	1,027
Supplies	14,906	10,272
Capital outlay	8,339	14,110
Miscellaneous	8,214	3,169
	1,428,898	1,398,293

(Continued)

Berrien Springs Public Schools
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Other school administration:		
Salaries	$ 248,562	$ 729,523
Employee benefits	171,212	505,278
Purchased services	51,183	47,756
Supplies	3,624	2,236
Capital outlay	3,101	1,997
Miscellaneous	58,166	53,811
	535,848	1,340,601
Total school administrative services	1,964,746	2,738,894
Business services:		
Fiscal services:		
Salaries	226,065	222,421
Employee benefits	177,367	168,049
Purchased services	21,714	22,496
Supplies	6,882	7,238
Capital outlay	13,972	1,967
Miscellaneous	22,881	4,664
	468,881	426,835
Internal services:		
Purchased services	49,246	64,403
Supplies	3,799	725
	53,045	65,128
Other business services:		
Miscellaneous	45,238	28,661
Total business services	567,164	520,624
Operation and maintenance services:		
Operation and maintenance:		
Salaries	1,208	183
Employee benefits	630	101
Purchased services	3,855,120	3,455,368
Supplies	803,552	723,093
Capital outlay	223,394	118,070
Miscellaneous	-	3,802
Total operation and maintenance services	4,883,904	4,300,617
Pupil transportation services:		
Pupil transportation:		
Salaries	632,721	600,765
Employee benefits	414,315	350,515
Purchased services	65,938	93,301
Supplies	205,635	129,780
Capital outlay	313,780	176,360
Payments to other districts	6,923	11,323
Miscellaneous	2,029	2,693
Total pupil transportation services	1,641,341	1,364,737

(Continued)

Berrien Springs Public Schools
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Central services:		
Communication services:		
Salaries	$ 160,929	$ 81,876
Employee benefits	119,534	54,780
Purchased services	918,827	741,906
Supplies	14	14
Capital outlay	5,239	4,185
Miscellaneous	390	640
	1,204,933	883,401
Staff/professional services:		
Salaries	96,781	95,804
Employee benefits	70,733	67,882
Purchased services	22,831	9,618
Supplies	172	572
Miscellaneous	57,580	420
	248,097	174,296
Technology services:		
Salaries	228,845	208,053
Employee benefits	150,970	143,410
Purchased services	513,347	468,195
Supplies	75,663	63,090
Capital outlay	198,600	120,518
Miscellaneous	-	29
	1,167,425	1,003,295
Pupil accounting services:		
Salaries	198,957	169,481
Employee benefits	136,964	130,735
Purchased services	97,081	84,446
Supplies	1,658	-
Capital outlay	6,022	1,904
Miscellaneous	474	170
	441,156	386,736
Total central services	3,061,611	2,447,728
Support services:		
Pupil activities:		
Salaries	98,044	87,062
Employee benefits	50,254	43,579
Purchased services	38,411	33,120
Supplies	1,885	1,873
	188,594	165,634
Athletics:		
Salaries	214,966	167,193
Employee benefits	113,722	76,911
Purchased services	208,965	123,392
Supplies	97,699	97,760
Capital outlay	9,127	36,234
Miscellaneous	16,216	13,975
Payments to other districts	1,883	5,816
	662,578	521,281

Berrien Springs Public Schools
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Other support services:		
Salaries	$ 215,000	$ 97,750
Employee benefits	22,352	7,882
Purchased services	21,690	12,033
Payments to other districts	1,344,354	1,739,607
	1,603,396	1,857,272
Total other supporting services	2,454,568	2,544,187
Total supporting services	27,944,855	22,918,682
Community services:		
Community activities		
Supplies	7,476	-
Welfare activities:		
Supplies	1,561	555
Non-public school pupils:		
Salaries	233,277	452,020
Employee benefits	148,641	264,552
Purchased services	1,506,064	1,488,566
Supplies	8,736	33,313
Capital outlay	-	16,931
Miscellaneous	4,295	1,330
	1,901,013	2,256,712
Total community services	1,910,050	2,257,267
Capital outlay	3,256,833	1,674,531
Debt service:		
Principal	602,884	-
Interest	175,197	-
	778,081	-
Total Expenditures	$ 60,372,679	$ 52,258,971

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NONMAJOR GOVERNMENTAL FUNDS

Berrien Springs Public Schools
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue		Debt Service		
Assets	Food Service	Student/School Activity	2009 QZAB	2009 QSCB	2012 QZAB
Cash equivalents and investments	$ 532,920	$ 282,492	$ 3,380,000	$ 800,000	$ 3,027
Due from other funds	490	-	-	-	-
Due from other governmental units	1,132	-	-	-	65,211
Inventory	8,751	-	-	-	-
Total Assets	$ 543,293	$ 282,492	$ 3,380,000	$ 800,000	$ 68,238
Liabilities and Fund Balances					
Liabilities					
Due to other funds	$ 55,490	$ -	$ -	$ -	$ -
Due to other governmental units	7,478	-	-	-	-
Accrued interest	-	-	-	-	14,739
Salaries payable	3,797	-	-	-	-
Total Liabilities	66,765	-	-	-	14,739
Fund balances					
Nonspendable	8,751	-	-	-	-
Restricted	467,777	282,492	3,380,000	800,000	53,499
Total Fund Balances	476,528	282,492	3,380,000	800,000	53,499
Total Liabilities and Fund Balances	$ 543,293	$ 282,492	$ 3,380,000	$ 800,000	$ 68,238

Debt Service			Capital Projects			
2019 Athletic	2019 Debt	2021 Debt	Building and Site Sinking	2021 Energy Conservation Improvement	Public Improvement	Total
$ 1,768	$ 167,155	$ 1,946	$ 774,106	$ -	$ 3,504,257	$ 9,447,671
-	-	-	-	-	-	490
-	-	-	-	-	-	66,343
-	-	-	-	-	-	8,751
$ 1,768	$ 167,155	$ 1,946	$ 774,106	$ -	$ 3,504,257	$ 9,523,255
$ -	$ -	$ -	$ -	$ -	$ -	$ 55,490
-	-	-	-	-	-	7,478
-	-	-	-	-	-	14,739
-	-	-	-	-	-	3,797
-	-	-	-	-	-	81,504
-	-	-	-	-	-	8,751
1,768	167,155	1,946	774,106	-	3,504,257	9,433,000
1,768	167,155	1,946	774,106	-	3,504,257	9,441,751
$ 1,768	$ 167,155	$ 1,946	$ 774,106	$ -	$ 3,504,257	$ 9,523,255

(Continued)

Berrien Springs Public Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
For the year ended June 30, 2022

	Special Revenue		Debt Service		
	Food Service	Student/School Activity	2009 QZAB	2009 QSCB	2012 QZAB
Revenues					
Local sources:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Interest earnings	-	-	-	-	-
Food sales	37,549	-	-	-	-
Other local sources	-	268,674	-	-	-
Total local sources	37,549	268,674	-	-	-
State sources	51,797	-	-	-	-
Federal sources	1,293,736	-	-	-	46,718
Total Revenues	1,383,082	268,674	-	-	46,718
Expenditures					
Current:					
Supporting services	-	227,100	-	-	-
Food service	989,052	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal repayment	-	-	-	-	115,600
Interest and fiscal charges	-	-	-	-	29,478
Total Expenditures	989,052	227,100	-	-	145,078
Excess (Deficiency) of Revenues Over Expenditures	394,030	41,574	-	-	(98,360)
Other Financing Sources (Uses)					
Transfers in	-	-	281,666	66,666	145,000
Transfers out	(55,000)	-	-	-	-
Total Other Financing Sources (Uses)	(55,000)	-	281,666	66,666	145,000
Net Change in Fund Balances	339,030	41,574	281,666	66,666	46,640
Fund Balances, Beginning of Year	137,498	240,918	3,098,334	733,334	6,859
Fund Balances, End of Year	$ 476,528	$ 282,492	$3,380,000	$ 800,000	$ 53,499

Debt Service			Capital Projects			
2019 Athletic	2019 Debt	2021 Debt	Building and Site Sinking	2021 Energy Conservation Improvement	Public Improvement	Total
$ -	$1,525,174	$ -	$ 9	$ -	$ -	$ 1,525,183
-	130	-	136	54	4,244	4,564
-	-	-	-	-	-	37,549
-	-	-	-	-	-	268,674
-	1,525,304	-	145	54	4,244	1,835,970
-	8,617	-	-	-	-	60,414
-	-	-	-	-	-	1,340,454
-	1,533,921	-	145	54	4,244	3,236,838
-	-	-	-	-	-	227,100
-	-	-	-	-	-	989,052
-	-	-	-	714,918	-	714,918
300,000	775,000	125,000	-	-	-	1,315,600
286,340	775,450	18,540	-	-	-	1,109,808
586,340	1,550,450	143,540	-	714,918	-	4,356,478
(586,340)	(16,529)	(143,540)	145	(714,864)	4,244	(1,119,640)
586,000	-	145,486	-	-	1,500,000	2,724,818
-	-	-	(212,934)	(93,352)	-	(361,286)
586,000	-	145,486	(212,934)	(93,352)	1,500,000	2,363,532
(340)	(16,529)	1,946	(212,789)	(808,216)	1,504,244	1,243,892
2,108	183,684	-	986,895	808,216	2,000,013	8,197,859
$ 1,768	$ 167,155	$ 1,946	$ 774,106	$ -	$ 3,504,257	$ 9,441,751

Berrien Springs Public Schools
Food Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Local sources:			
Food sales	$ 22,550	$ 37,549	$ 14,999
State sources	59,000	51,797	(7,203)
Federal sources	1,153,000	1,293,736	140,736
Total Revenues	1,234,550	1,383,082	148,532
Expenditures			
Current:			
Food service	996,930	989,052	7,878
Excess of Revenues Over Expenditures	237,620	394,030	156,410
Other Financing Uses			
Transfers out	-	(55,000)	(55,000)
Net Change in Fund Balances	237,620	339,030	101,410
Fund Balances, Beginning of Year	137,498	137,498	-
Fund Balances, End of Year	$ 375,118	$ 476,528	$ 101,410

Berrien Springs Public Schools
Student/School Activity Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Local sources	$ 105,000	$ 268,674	$ 163,674
Expenditures			
Supporting services:			
Other student/school activity	115,000	227,100	(112,100)
Net Change in Fund Balance	(10,000)	41,574	51,574
Fund Balance, Beginning of Year	250,980	250,980	-
Fund Balance, End of Year	$ 240,980	$ 292,554	$ 51,574

SPECIAL REVENUE FUNDS

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

Student/School Activity - to account for the collection and disbursements of monies used by the school activity clubs and groups.

Berrien Springs Public Schools
Food Service Special Revenue Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents and investments	$ 532,920	$ 132,107
Due from other funds	490	-
Due from other governmental units	1,132	30,547
Inventory	8,751	5,429
Total Assets	$ 543,293	$ 168,083
Liabilities and Fund Balances		
Liabilities		
Due to other funds	$ 55,490	$ 30,585
Due to other governmental units	7,478	-
Salaries payable	3,797	-
Total Liabilities	66,765	30,585
Fund Balances		
Nonspendable	8,751	5,429
Restricted	467,777	132,069
Total Fund Balances	476,528	137,498
Total Liabilities and Fund Balances	$ 543,293	$ 168,083

Berrien Springs Public Schools
Food Service Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Food sales:		
Lunches	$ 255	$ 3,672
Adult lunches and banquets	1,349	1,219
Other	35,945	14,499
	37,549	19,390
Interest earnings:		
Earnings on deposits and investments	-	7
Total local sources	37,549	19,397
State sources	51,797	45,409
Federal sources	1,293,736	785,801
Total Revenues	1,383,082	850,607
Expenditures		
Current:		
Food service:		
Salaries	288,519	269,775
Employee benefits	178,618	156,845
Purchased services	21,838	10,555
Supplies	479,596	340,220
Capital outlay	15,902	20,896
Miscellaneous	4,579	3,156
Total Expenditures	989,052	801,447
Excess of Revenues Over Expenditures	394,030	49,160
Other Financing Uses		
Transfers out	(55,000)	(30,000)
Net Change in Fund Balances	339,030	19,160
Fund Balances, Beginning of Year	137,498	118,338
Fund Balances, End of Year	$ 476,528	$ 137,498

Berrien Springs Public Schools
Student/School Activity Special Revenue Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents and investments	$ 282,492	$ 236,833
Due from other funds	-	4,085
Total Assets	$ 282,492	$ 240,918
Liabilities and Fund Balance		
Liabilities	$ -	$ -
Fund Balance		
Restricted	282,492	240,918
Total Liabilities and Fund Balance	$ 282,492	$ 240,918

Berrien Springs Public Schools
Student/School Activity Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Revenue from student activities	$ 268,674	$ 106,445
Expenditures		
Current:		
Other student/school activity	227,100	116,507
Net Change in Fund Balances	41,574	(10,062)
Fund Balances, Beginning of Year	240,918	250,980
Fund Balances, End of Year	$ 282,492	$ 240,918

DEBT SERVICE FUNDS

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

Berrien Springs Public Schools
Debt Service Funds
Combining Balance Sheet
June 30, 2022 with comparative totals as of June 30, 2021

	2009 QZAB	2009 QSCB	2012 QZAB
Assets			
Cash equivalents and investments	$ 3,380,000	$ 800,000	$ 3,027
Due from other govt units	-	-	65,211
Total Assets	$ 3,380,000	$ 800,000	$ 68,238
Liabilities and Fund Balance			
Liabilities			
Accrued interest	$ -	$ -	$ 14,739
Fund Balance			
Restricted	3,380,000	800,000	53,499
Total Liabilities and Fund Balance	$ 3,380,000	$ 800,000	$ 68,238

2019 Athletic	2019 Debt	2021 Debt	Totals 2022	Totals 2021
$ 1,768	$ 167,155	$ 1,946	$ 4,353,896	$ 4,023,022
-	-	-	65,211	18,493
$ 1,768	$ 167,155	$ 1,946	$ 4,419,107	$ 4,041,515
$ -	$ -	$ -	$ 14,739	$ 17,196
1,768	167,155	1,946	4,404,368	4,024,319
$ 1,768	$ 167,155	$ 1,946	$ 4,419,107	$ 4,041,515

Berrien Springs Public Schools
Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2022 with comparative totals as of June 30, 2021

	2009 QZAB	2009 QSCB	2012 QZAB
Revenues			
Local sources:			
Property taxes:			
Current property taxes	$ -	$ -	$ -
Delinquent and other property taxes	-	-	-
	-	-	-
Interest earnings:			
Earnings on deposits and investments	-	-	-
Total local sources	-	-	-
State sources:			
Personal property tax debt loss reimbursement	-	-	-
Federal sources:			
Other	-	-	46,718
Total Revenues	-	-	46,718
Expenditures			
Debt service:			
Principal repayment	-	-	115,600
Interest and fiscal charges:			
Interest expense	-	-	29,478
Paying agent fees	-	-	-
Total Expenditures	-	-	145,078
Deficiency of Revenues Over Expenditures	-	-	(98,360)
Other Financing Sources (Uses)			
Transfers in	281,666	66,666	145,000
Transfers out	-	-	-
Total Other Financing Sources (Uses)	281,666	66,666	145,000
Net Change in Fund Balance	281,666	66,666	46,640
Fund Balance, Beginning of Year	3,098,334	733,334	6,859
Fund Balance, End of Year	$ 3,380,000	$ 800,000	$ 53,499

2019 Debt	2021 Debt	Totals 2022	Totals 2021
$ 1,521,337	$ -	$ 1,521,337	$ 1,547,231
3,837	-	3,837	4,518
1,525,174	-	1,525,174	1,551,749
130	-	130	416
1,525,304	-	1,525,304	1,552,165
8,617	-	8,617	9,284
-	-	46,718	-
1,533,921	-	1,580,639	1,561,449
775,000	125,000	1,315,600	1,120,600
774,950	17,996	1,108,224	1,135,341
500	544	1,584	1,084
1,550,450	143,540	2,425,408	2,257,025
(16,529)	(143,540)	(844,769)	(695,576)
-	145,486	1,224,818	1,089,341
-	-	-	(6,152)
-	145,486	1,224,818	1,083,189
(16,529)	1,946	380,049	387,613
183,684	-	4,024,319	3,636,706
$ 167,155	$ 1,946	$ 4,404,368	$ 4,024,319

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CAPITAL PROJECTS FUNDS

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

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

Berrien Springs Public Schools
Building and Site Sinking Capital Projects Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents and investments	$ 774,106	$ 986,895
Liabilities and Fund Balance		
Liabilities	$ -	$ -
Fund Balance		
Restricted	774,106	986,895
Total Liabilities and Fund Balance	$ 774,106	$ 986,895

Berrien Springs Public Schools
Building and Site Sinking Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Property taxes	$ 9	$ 9
Earnings on deposits and investments	136	3,639
Total Revenues	145	3,648
Expenditures		
Capital outlay:		
Building improvements	-	8
Excess of Revenues Over Expenditures	145	3,640
Other Financing Uses		
Transfers out	(212,934)	(212,934)
Net Change In Fund Balance	(212,789)	(209,294)
Fund Balance, Beginning of Year	986,895	1,196,189
Fund Balance, End of Year	$ 774,106	$ 986,895

Berrien Springs Public Schools
2019 Construction PAC Capital Projects Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents and investments	$ 45,703	$ 8,636,547
Liabilities and Fund Balances		
Liabilities	$ -	$ -
Fund Balances		
Restricted	45,703	8,636,547
Total Liabilities and Fund Balances	$ 45,703	$ 8,636,547

Berrien Springs Public Schools
2019 Construction PAC Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Interest earnings:		
Earnings on deposits and investments	$ 2,633	$ 48,309
Expenditures		
Capital outlay:		
Professional and technical services	-	114,600
Building improvements	8,593,477	11,883,929
Interest and fiscal charges	-	6,026
Total Expenditures	8,593,477	12,004,555
Net Change In Fund Balances	(8,590,844)	(11,956,246)
Fund Balances, Beginning of Year	8,636,547	20,592,793
Fund Balances, End of Year	$ 45,703	$ 8,636,547

Berrien Springs Public Schools
2021 Energy Conservation Improvement Capital Projects Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents and investments	$ -	$ 808,216
Liabilities and Fund Balance		
Liabilities	$ -	$ -
Fund Balance		
Restricted	-	808,216
Total Liabilities and Fund Balance	$ -	$ 808,216

Berrien Springs Public Schools
2021 Energy Conservation Improvement Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Interest earnings:		
Earnings on deposits and investments	$ 54	$ 166
Expenditures		
Capital outlay:		
Building improvements	714,918	528,254
Bond issuance costs	-	39,119
Underwriter's discount	-	8,755
Total Expenditures	714,918	576,128
Deficiency of Revenues Over Expenditures	(714,864)	(575,962)
Other Financing Sources (Uses)		
Proceeds from bond issuance	-	1,384,178
Transfers out	(93,352)	-
Total Other Financing Sources (Uses)	(93,352)	1,384,178
Net Change In Fund Balance	(808,216)	808,216
Fund Balance, Beginning of Year	808,216	-
Fund Balance, End of Year	$ -	$ 808,216

Berrien Springs Public Schools
Public Improvement Capital Projects Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents and investments	$ 3,504,257	$ 2,000,013
Liabilities and Fund Balance		
Liabilities	$ -	$ -
Fund Balance		
Restricted	3,504,257	2,000,013
Total Liabilities and Fund Balance	$ 3,504,257	$ 2,000,013

Berrien Springs Public Schools
Public Improvement Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Interest earnings:		
Earnings on deposits and investments	$ 4,244	$ 13
Expenditures	-	-
Excess of Revenues Over Expenditures	4,244	13
Other Financing Sources		
Transfers in	1,500,000	2,000,000
Net Change In Fund Balance	1,504,244	2,000,013
Fund Balance, Beginning of Year	2,000,013	-
Fund Balance, End of Year	$ 3,504,257	$ 2,000,013

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OTHER INFORMATION

BERRIEN SPRINGS PUBLIC SCHOOLS
Detail of Bonded Debt
2012 Qualified Zone Academy Bonds
For the year ended June 30, 2022

Due August 1,	Interest Rate	Maturing Per Year	Bonds Outstanding July 1, 2021	Bonds Retired This Year	Bonds Outstanding June 30, 2022
2022	4.25%	$ 115,600	$ 115,600	$ 115,600	$ -
2023	4.25%	115,600	115,600	-	115,600
2024	4.25%	115,600	115,600	-	115,600
2025	4.25%	115,600	115,600	-	115,600
2026	4.25%	115,600	115,600	-	115,600
2027	4.25%	115,600	115,600	-	115,600
2028	4.25%	115,600	115,600	-	115,600
		$ 809,200	$ 809,200	$ 115,600	$ 693,600

Purpose of bond issue:

For capital projects that will focus on technology and energy conservation related improvements for Mars Elementary, Sylvester Elementary, Berrien Springs Middle, and Berrien Springs High Schools.

Terms:

Principal due annually August 1. Interest due semi-annually August 1 and February 1, subject to redemption prior to maturity on any interest payment date at par and accrued interest to the date of redemption.

BERRIEN SPRINGS PUBLIC SCHOOLS
Summary of Principal and Interest Requirements to Maturity
2012 QZAB Amortization Schedule
For the year ended June 30, 2022

Year Ending		Interest Due		
June 30,	Principal	August 1	February 1	Total
2023	$ 115,600	$ 12,283	$ 12,282	$ 140,165
2024	115,600	9,826	9,826	135,252
2025	115,600	7,369	7,370	130,339
2026	115,600	4,913	4,913	125,426
2027	115,600	2,456	2,457	120,513
2028	115,600	-	-	115,600
	$ 693,600	$ 36,847	$ 36,848	$ 767,295

The 2012 Qualified Zone Academy Bonds were issued at a semi-annual interest rate of 4.25%. Berrien Springs Public Schools will submit a return for credit payments to issuers of qualified bonds to the Internal Revenue Service before the date each interest payment is due. This credit paid by the Internal Revenue Service to the Bank of New York Mellon will replace a direct interest payment from Berrien Springs Public Schools. At any point in which the credit is unavailable, Berrien Springs Public Schools would be responsible for the interest payments. For the year ending June 30, 2022, the District was responsible for 7.3% of the 4.25% interest payment as a result of the sequestration process required by the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

BERRIEN SPRINGS PUBLIC SCHOOLS
Summary of Principal and Interest Requirements to Maturity
2009 QZAB Amortization Schedule
For the year ended June 30, 2022

Year Ending June 30,	Deposit Due July 23	Interest Earned as of July 23	Deposit Value
2011	$ 281,667	$ -	$ 281,667
2012	281,667	-	281,667
2013	281,667	-	281,667
2014	281,667	-	281,667
2015	281,667	-	281,667
2016	281,667	-	281,667
2017	281,667	-	281,667
2018	281,667	-	281,667
2019	281,667	-	281,667
2020	281,667	-	281,667
2021	281,666	-	281,666
2022	281,666	-	281,666
2023	281,666	-	281,666
2024	281,666	-	281,666
2025	281,666	-	281,666
	$ 4,225,000	$ -	$ 4,225,000

Annual transfers of $281,667 are required to be made to a special bank account owned by the District. At maturity of the QZAB note, the District will have transferred a total of $4,225,000 into the account. The total of the District's transfers will make up the total $4,225,000 that will be due in July 2024.

BERRIEN SPRINGS PUBLIC SCHOOLS
Summary of Principal and Interest Requirements to Maturity
2009 QSCB Amortization Schedule
For the year ended June 30, 2022

Year Ending June 30,	Deposit Due October 1	Interest Earned as of October 1	Deposit Value
2011	$ 66,667	$ -	$ 66,667
2012	66,667	-	66,667
2013	66,667	-	66,667
2014	66,667	-	66,667
2015	66,667	-	66,667
2016	66,667	-	66,667
2017	66,667	-	66,667
2018	66,667	-	66,667
2019	66,667	-	66,667
2020	66,667	-	66,667
2021	66,666	-	66,666
2022	66,666	-	66,666
2023	66,666	-	66,666
2024	66,666	-	66,666
2025	66,666	-	66,666
	$ 1,000,000	$ -	$ 1,000,000

Annual transfers of $66,667 are required to be made to a special bank account owned by the District. At maturity of the QSCB note, the District will have transferred a total of $1,000,000 into the account. The total of the District's transfers will make up the total $1,000,000 that will be due in October 2024.

Berrien Springs Public Schools
Summary of Principal and Interest Requirements to Maturity
2019 School Building and Site Bonds
For the year ended June 30, 2022

Year Ending June 30,	Principal	Interest Due November 1	Interest Due May 1	Total
2023	$ 835,000	$ 371,975	$ 371,975	$ 1,578,950
2024	690,000	351,100	351,100	1,392,200
2025	725,000	333,850	333,850	1,392,700
2026	760,000	315,725	315,725	1,391,450
2027	800,000	296,725	296,725	1,393,450
2028	835,000	276,725	276,725	1,388,450
2029	875,000	255,850	255,850	1,386,700
2030	915,000	233,975	233,975	1,382,950
2031	960,000	211,100	211,100	1,382,200
2032	995,000	191,900	191,900	1,378,800
2033	1,030,000	172,000	172,000	1,374,000
2034	1,080,000	146,250	146,250	1,372,500
2035	1,130,000	119,250	119,250	1,368,500
2036	1,180,000	91,000	91,000	1,362,000
2037	1,230,000	61,500	61,500	1,353,000
2038	1,230,000	30,750	30,750	1,291,500
	$ 15,270,000	$ 3,459,675	$ 3,459,675	$ 22,189,350

BERRIEN SPRINGS PUBLIC SCHOOLS
Summary of Principal and Interest Requirements to Maturity
2019 School Athletic Facility Bonds
For the year ended June 30, 2022

Year Ending		Interest Due		
June 30,	Principal	November 1	May 1	Total
2023	$ 315,000	$ 136,900	$ 136,900	$ 588,800
2024	325,000	130,600	130,600	586,200
2025	340,000	124,100	124,100	588,200
2026	355,000	117,300	117,300	589,600
2027	370,000	110,200	110,200	590,400
2028	385,000	102,800	102,800	590,600
2029	400,000	95,100	95,100	590,200
2030	415,000	87,100	87,100	589,200
2031	430,000	78,800	78,800	587,600
2032	450,000	70,200	70,200	590,400
2033	465,000	61,200	61,200	587,400
2034	480,000	51,900	51,900	583,800
2035	500,000	42,300	42,300	584,600
2036	520,000	32,300	32,300	584,600
2037	540,000	21,900	21,900	583,800
2038	555,000	11,100	11,100	577,200
	$ 6,845,000	$ 1,273,800	$ 1,273,800	$ 9,392,600

BERRIEN SPRINGS PUBLIC SCHOOLS
Summary of Principal and Interest Requirement to Maturity
2021 Energy Conservation Improvement Bonds
For the year ended June 30, 2022

Year Ending June 30,	Principal	Interest Due November 1	Interest Due May 1	Total
2023	$ 125,000	$ 7,238	$ 7,238	$ 139,476
2024	130,000	6,613	6,613	143,226
2025	130,000	5,962	5,962	141,924
2026	135,000	5,312	5,312	145,624
2027	135,000	4,469	4,469	143,938
2028	140,000	3,625	3,625	147,250
2029	145,000	2,750	2,750	150,500
2030	145,000	1,844	1,844	148,688
2031	150,000	937	937	151,874
	$ 1,235,000	$ 38,750	$ 38,750	$ 1,312,500