

# **Midland Public Schools**

## **Financial Statements**

**June 30, 2022**



## Table of Contents

Section		Page
1	<b>Members of the Board of Education and Administration</b>	1 - 1
2	<b>Independent Auditors' Report</b>	2 - 1
3	<b>Management's Discussion and Analysis</b>	3 - 1
4	<b>Basic Financial Statements</b>	
	District-wide Financial Statements	
	Statement of Net Position	4 - 1
	Statement of Activities	4 - 3
	Fund Financial Statements	
	Governmental Funds	
	Balance Sheet	4 - 4
	Reconciliation of the Balance Sheet of	
	Governmental Funds to the Statement of Net Position	4 - 6
	Statement of Revenues, Expenditures and Changes in Fund Balances	4 - 7
	Reconciliation of the Statement of Revenues, Expenditures and	
	Changes in Fund Balances of Governmental Funds to the Statement of Activities	4 - 9
	Notes to the Financial Statements	4 - 10

**Section****Page****5 Required Supplementary Information**

Budgetary Comparison Schedule - General Fund	5 - 1
Schedule of the School District's Proportionate Share of the Net Pension Liability	5 - 3
Schedule of the School District's Pension Contributions	5 - 4
Schedule of the School District's Proportionate Share of the Net OPEB Liability	5 - 5
Schedule of the School District's OPEB Contributions	5 - 6

**6 Other Supplementary Information**

Non-major Governmental Funds	
Combining Balance Sheet	6 - 1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	6 - 2
General Fund	
Comparative Balance Sheet	6 - 3
Schedule of Revenues	6 - 5
Schedule of Expenditures	6 - 6

**Midland Public Schools**  
**Members of the Board of Education and Administration**  
**June 30, 2022**

---

Members of the Board of Education

Mr. Scott McFarland – President

Mr. Phil Rausch – Vice President

Mr. Jon Lauderbach – Treasurer

Mr. John Hatfield – Secretary

Ms. Lynn Baker –Trustee

Mr. Brad Blasy – Trustee

Mr. Patrick Frazee– Trustee

Superintendent of Schools

Michael Sharrow – Superintendent



800.968.0010 | yeoandyeo.com

## Independent Auditors' Report

Management and the Board of Education  
Midland Public Schools  
Midland, Michigan

### Report on the Audit of the Financial Statements

#### Opinions

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

In our opinion, based on our audit and the report of the other auditors, 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 Midland Public Schools, as of June 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Midland 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.

#### Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022 the School District adopted GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Midland 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 Midland Public Schools' ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

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

## **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Midland Public Schools' basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information, as identified in the table of contents, other than the prior year 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, other than the prior year information, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Prior Year Supplementary Information**

We have previously audited, in accordance with auditing standards generally accepted in the United States, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, Midland Public Schools' basic financial statements as of and for the year ended June 30, 2021, which are not presented with the accompanying basic financial statements. In our report dated September 7, 2021, we expressed unmodified opinions on the respective basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Midland Public Schools' basic financial statements as a whole. The 2021 information in the comparative supplementary schedules is presented for purposes of additional analysis and is not a required part of the 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 2021 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 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 2021 information in the comparative supplementary schedules is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2022 on our consideration of Midland 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 Midland 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 Midland Public Schools' internal control over financial reporting and compliance.

*Yeo & Yeo, P.C.*

Midland, Michigan  
September 6, 2022



## MANAGEMENT'S DISCUSSION AND ANALYSIS

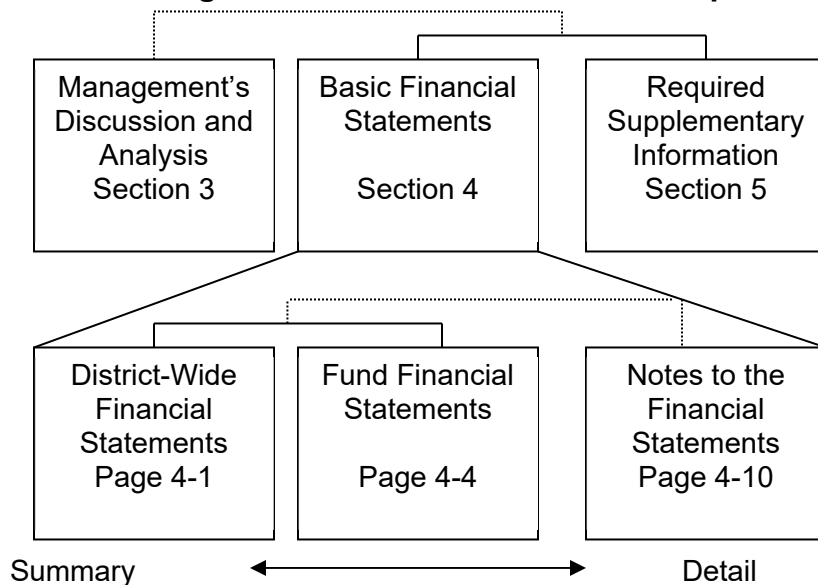
---

**Midland Public Schools**  
**Management Discussion and Analysis**  
**June 30, 2022**

---

This financial report is presented in the format required by the Governmental Accounting Standards Board (GASB). The overall organization of this report is shown in Figure A-1.

**Figure A-1**  
**Midland Public Schools**  
**Organization of Annual Financial Report**



### **District –Wide Financial Statements**

The District-wide statements provide a perspective of the District as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two District-wide statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position (page 4-1) combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless of whether they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities (page 4-3) accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various district services.

When analyzed together, the two statements help the reader determine whether the District is financially stronger or weaker as a result of the year's activities.

### **Fund Financial Statements**

The fund financial statements focus on individual parts of the district, reporting the District's operation in more detail than the district-wide statements. The fund level statements are reported on a *modified accrual basis*. Only those assets that are "*measurable*" and "*currently available*" are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's *Public School Accounting Manual*. In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds. The funds used by Midland Public Schools include Capital Project Funds, and Special Revenue Funds for Food Service, Student Activity, and the Charger Shop Bookstore.

**Midland Public Schools**  
**Management Discussion and Analysis**  
**June 30, 2022**

**Financial Analysis of the District as a Whole**

**Summary of Net Position**

	Governmental Activities June 30, 2022	Governmental Activities June 30, 2021
<b>Assets and Deferred Outflows</b>		
Current assets	\$ 57,015,272	\$ 68,852,375
Capital assets	175,629,111	165,766,145
Less accumulated depreciation	(59,423,971)	(55,456,848)
Capital assets, net book value	116,205,140	110,309,297
Deferred outflows of resources	39,443,171	48,174,334
Total assets and deferred outflows	212,663,583	227,336,006
<b>Liabilities and Deferred Inflows</b>		
Current liabilities	13,203,009	13,544,235
Noncurrent liabilities	206,627,572	278,334,159
Deferred inflows of resources	77,311,159	29,286,674
Total liabilities and deferred inflows	297,141,740	321,165,068
<b>Net Position</b>		
Net investment in capital assets	40,838,361	43,690,828
Restricted	3,388,718	2,909,831
Unrestricted	(128,705,236)	(140,429,721)
Total net position	\$ (84,478,157)	\$ (93,829,062)

The *Summary of Net Position* and the *Statement of Net Position from Operating Results* on the next page show the changes in the District's net position. Unrestricted net position is similar but not identical to fund balance. Other assets are restricted for capital projects and food service operations. A reconciliation of the difference between changes in net position and changes in fund balance is on page 4-9. In 2021/22 there is an increase in net position. This is largely due to an increase in capital assets made possible by ongoing bond improvements.

**Statement of Net Position from Operating Results**

	Governmental Activities Year Ended June 30, 2022	Governmental Activities Year Ended June 30, 2021
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 2,277,196	\$ 1,586,551
Operating grants and contributions	30,544,933	31,012,275
Capital Grants and Contributions	165,385	-
General revenues		
Property taxes	27,108,067	28,523,445
State foundation allowance	44,863,817	42,595,360
Other	854,500	2,471,456
<b>Total revenues</b>	105,813,898	106,189,087
<b>Expenses</b>		
Instruction	55,857,559	63,367,471
Support services	34,968,912	32,735,676
Food services	3,635,982	3,314,761
Other transactions	2,000,540	3,176,571
<b>Total expenses</b>	96,462,993	102,594,479
<b>Increase (decrease) in net assets</b>	\$ 9,350,905	\$ 3,594,608

The largest component of revenues is the per-pupil Foundation Allowance which is legislatively established each year and varies by district. It is comprised of a state portion and the amount raised by the District's non-homestead property tax levy of 18 mills.

The combined total is based on two variables:

1. The State of Michigan State Aid Act per student foundation allowance
2. Student enrollment calculated by blending 90 percent of the current year's fall count and 10 percent of the prior year's winter count

# Midland Public Schools

## Management Discussion and Analysis

### June 30, 2022

---

Revenue is determined by multiplying the two variables and adjusting for the lower foundation allowance of students attending Midland Public Schools from other school districts. Detailed information on both components is on page 3-4.

### **The School District's Funds**

A school district accounting system is organized and operated on a fund basis. Legal reporting requirements and the varied nature of the District's operations make it necessary to account for activities through the use of separate funds. Financial statements for the General Fund are on pages 5-1 and 5-2 and 6-3 through 6-15.

The District governmental funds reported a combined fund balance of \$42.5 million, which is a decrease of \$13.5 million from last year. The changes in the individual funds are:

- In the General Fund, our principal operating fund, the fund balance increased by \$1,408,772. The Board of Education was aware of the likelihood of revenues exceeding expenditures and committed to adding to fund balance to maintain stability for the District. The reserves and designations of fund balance are identified on page 4-5.
- The 2019 Building and Site Bond Funds fund balance decreased \$12,169,746. The funds were used for numerous projects including restroom upgrades at the elementary and high schools, new lighting at the Community Stadium, fencing demolition and repair, replacement of classroom projectors, and parking lot renovations at Jefferson and Dow High.
- The overall fund balance in the Non-Major Governmental Funds decreased by \$2,693,354. This change is mostly attributable to the establishment of an Energy Conservation Bond to complete lighting upgrades throughout MPS and renovate the Administration Center HVAC system. The district continued utilize the PRME fund to ensure facility maintenance and

upgrades keep pace with increasing needs. Additional detail on the changes in the Non-Major Governmental Funds is available on pages 6-1 and 6-2. Additional detail on the changes in the Non-Major Governmental Funds is available on pages 6-1 and 6-2.

### **Per Student Foundation Allowance**

Annually, the State of Michigan establishes the per student foundation allowance. In 2021/22, the State increased funding levels to \$8,758 per pupil (\$107 per-pupil increase from 2020/21).

### **Student Enrollment**

The District's state aid membership for 2021/22 was 7,506 students. This is a decrease of 159 students from the previous school year. It is relevant to note that the previous year membership count did not reflect actual enrollment. The state instituted a 'pandemic blend (75% Spring 20, 25% Fall 20)' to protect districts from significant budgetary impacts due to the pandemic. Actual enrollment was 7,441 in 20/21. The 2021/22 budget was originally built on a prediction of 7,500 students. The following summarizes fall student enrollments in the past five years:

### **Enrollment History**

	Student FTE	FTE Change from Prior Year
2021/22	7,506	(159)
2020/21	7,665	(75)
2019/20	7,740	64
2018/19	7,676	(11)
2017/18	7,687	(1)

# Midland Public Schools

## Management Discussion and Analysis

### June 30, 2022

Preliminary student enrollment projections for 2022/23 indicate that the blended enrollment count is projected to decline by 56 students from 2021/22. The District continues to use Stanfred Consultants for assistance in projecting enrollment for budget purposes. County birthrates, current enrollment, and community factors all play a part in this forecast.

### **Property Taxes Levied for General Operations**

The District levies 18 mills of property taxes for operations (General Fund) on Non-Homestead properties. A change in state tax law late in 2007 exempted industrial and commercial personal property from the operational millage and shifted the balance of funding to the foundation allowance. Included in the 18 mills is a hold harmless millage levied on all properties that is limited to the number of mills necessary to raise \$122 per pupil (Note: A law change in July 2021 lowered this rate from \$415.31. This change is reflected in the revenue collection decrease shown in the tax history chart below. The difference was captured in state aid rather than from the local tax payer.) Under Michigan law, the tax levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at lesser of the rate of the prior year's Consumer Price Index increase or 5 percent. At the time of sale, a property's taxable valuation is readjusted to the State Equalized Value, theoretically 50 percent of the market value. The following summarizes the local tax revenues as a percent of all general fund revenues for the past five years:

### **Local Property Tax History**

	<u>Local Property Tax Revenue</u>	<u>% of General Fund Revenue</u>
2021/22	\$ 19,347,700	21.0%
2020/21	20,784,398	22.4%
2019/20	20,010,378	24.1%
2018/19	19,487,994	23.2%
2017/18	19,131,827	23.4%

Local revenues in the table include the receipt of delinquent taxes from prior years; for the fiscal year ended June 30, 2022, the District had approximately \$3,000 of current year property taxes that had not been collected.

### **Capital Assets**

At June 30, 2022, the District had \$116,205,140 invested in capital assets including land, buildings, furniture, and equipment.

<b>Assets</b>	<u><b>2022</b></u>	<u><b>2021</b></u>
Land	\$ 410,000	\$ 410,000
Site Improvements	3,341,394	7,386,968
Buildings and improvements	138,553,678	126,155,444
Buses and other vehicles	18,890,002	17,742,523
Furniture and equipment	10,062,617	9,220,913
Construction in progress	4,371,420	4,850,297
Subtotal	175,629,111	165,766,145
Less accumulated depreciation	(59,423,971)	(55,456,848)
	<u><u>\$ 116,205,140</u></u>	<u><u>\$ 110,309,297</u></u>

### **Debt**

At June 30, 2022 the District had \$77,985,000 in general obligation bonds outstanding versus \$77,380,000 in the previous year.

The School District's general obligation bond rating is Aa1 by Moody's Investors Service. The School District's rating by Standard & Poor's is A. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit. The School District's outstanding unqualified general obligation debt does not approach the state limit.

**Midland Public Schools**  
**Management Discussion and Analysis**  
**June 30, 2022**

---

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

**Original versus Revised Budget**

The Uniform Budget Act of the State of Michigan requires that a local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. The budget for 2021/22 was approved on June 21, 2021 and amended in March and June of 2022.

**General Fund Revenues**

Total Revenues Revised Budget	\$ 93,151,345
Total Revenues Original Budget	86,811,220
	<u>\$ 6,340,125</u>
Total Revenues Actual	\$ 91,960,476
Total Revenues Revised Budget	93,151,345
	<u>\$ (1,190,869)</u>

The actual variance from the final budget was 1.3%, primarily due to restricted unspent federal and state funds that will be carried over to the 2022/23 fiscal year.

Significant revenue budget adjustments for the year include (numbers are approximate):

- 22B – Discretionary State Aid (per-pupil increase and shift in how the Hold Harmless formula is funded (see 3-4): \$4,200,000. Note: Corresponding Local Property Tax offset (\$2,200,000)
- MCESA Transfers (PA 18 & Enhancement Millage PPT): \$930,000
- 147C MPSERS Rate Cap: \$1,800,000

- 22A- State Aid (Property Value Dependent): \$920,000
- 31A At-Risk: \$364,000
- ESSER III: Implementation timeline for 21/22 was more dependent on ESSER II: (\$2,200,000)

**General Fund Expenditures**

Total Expenditures Revised Budget	\$ 96,263,860
Total Expenditures Original Budget	89,355,582
	<u>\$ 6,908,278</u>
Total Expenditures Actual	\$ 90,551,704
Total Expenditures Revised Budget	96,263,860
	<u>\$ (5,712,156)</u>

The actual variance from the final budget was 5.9%. The variance is due to actual employer costs being lower than expected. The School District also monitored expenditures, which allowed for savings on supply budgets. The uncertainty of program implementation of the federal and state grant awards caused us to budget for them in anticipation that they would have to be spent in the 21-22 budget year. Grant budgets that were not spent will be carried over to the 22-23 budget.

The expenditure budget adjustments variance was 7.7%. Major expenditure adjustments for the year continue to be related to pandemic needs (increased staffing, wage adjustments to react to labor market conditions/inflation, etc.). The timing of the implementation of ESSER II and III plans shifted plans for the funds from the June 2022 predictions. In addition, all departments were encouraged to review planned expenditures throughout the year in order to improve the financial position of the district and reduce the predicted operating deficit.

**Midland Public Schools**  
**Management Discussion and Analysis**  
**June 30, 2022**

---

**Economic Factors and Next Year's Budget and Rates**

For 2022/23, the legislature had not adopted a final State School Aid Act before the Board of Education was required to adopt its budget at the June 20<sup>th</sup> meeting. The adopted budget included a deficit of approximately \$4.88 million (\$2.89 million accounting for expected variance). The Board of Education remains committed to providing substantial services and resources to students and staff throughout the 22-23 school year (and beyond) to aid in remediating learning loss. The General fund and Federal supplementary funds will play a large role in providing these services.

The major assumptions for the 2022/23 budget include:

- A reduction in the blended count for enrollment of 56 students
- A \$400 per student increase (\$9,158).
- Federal Supplementary Pandemic Related Funds (ESSER III)  
Revenues: \$4,366,229
- MPSERS Cost Offset 147a (1&2) and 147e at the same levels as provided in 21-22
- Federal Allocations (IA, IIA, IVA, ID) budgeted at 85% of the 21-22 allocations.
- 31A (At-Risk Funding) at the same level as was provided in 21-22
- Steps and category increase for teachers. All employees received an increase in salary based on position.
- Increase of medical premiums of 10%.
- Increased level of employer HSA contributions
- Retirement rate: 29% of payroll (Weighted Average)

- Staffing patterns reflect the continuous process of evaluating vacancies and maximizing efficiencies possible

**Requests for Information**

This financial report is designed to give a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning this report or requests for additional information should be addressed to Associate Superintendent for Finance, Facilities and Operations, Midland Public Schools, 600 East Carpenter, Midland, MI 48640; telephone number 989-923-5078.

## BASIC FINANCIAL STATEMENTS

---



**Midland Public Schools**  
**Statement of Net Position**  
**June 30, 2022**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	\$ 37,691,199
Taxes receivable	8,555
Accounts receivable	10,848
Leases receivable	1,756,611
Due from other governmental units	12,671,697
Inventory	59,139
Investments	4,453,719
Prepaid items	363,504
Capital assets not being depreciated	3,751,394
Capital assets - net of accumulated depreciation	<u>112,453,746</u>
Total assets	<u>173,220,412</u>
<b>Deferred outflows of resources</b>	
Deferred amount relating to debt refunding	982,045
Deferred amount relating to the net pension liability	27,605,867
Deferred amount relating to the net OPEB liability	<u>10,855,259</u>
Total deferred outflows of resources	<u>39,443,171</u>
<b>Liabilities</b>	
Accounts payable	4,161,953
Due to other governmental units	125,822
Payroll deductions and withholdings	3,189,740
Accrued expenditures	473,679
Accrued salaries payable	4,716,121
Unearned revenue	535,694
Noncurrent liabilities	
Net pension liability	115,478,560
Net OPEB liability	7,563,003
Debt due within one year	6,890,000
Debt due in more than one year	<u>76,696,009</u>
Total liabilities	<u>219,830,581</u>

See Accompanying Notes to the Financial Statements

**Midland Public Schools**  
**Statement of Net Position**  
**June 30, 2022**

---

	<u>Governmental Activities</u>
<b>Deferred inflows of resources</b>	
Deferred amount on leases receivable	\$ 1,756,611
Deferred amount relating to net pension liability	46,693,528
Deferred amount relating to the net OPEB liability	<u>28,861,020</u>
Total deferred inflows of resources	<u>77,311,159</u>
<b>Net position</b>	
Net investment in capital assets	40,838,361
Restricted for	
Contributions for special projects	90,075
STEM	1,679,701
Debt service	198,755
Food service	1,420,187
Unrestricted (deficit)	<u>(128,705,236)</u>
<b>Total net position</b>	<u>\$ (84,478,157)</u>

See Accompanying Notes to the Financial Statements

**Midland Public Schools**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Net (Expense) Revenue and Changes in Net Position
<b>Functions/Programs</b>				
Governmental activities				
Instruction	\$ 55,857,559	\$ 1,354,096	\$ 20,627,270	\$ -
Supporting services	34,968,912	629,303	5,732,554	165,385
Food services	3,635,982	293,797	4,185,109	-
Community services	165,792	-	-	-
Interest and fiscal charges on long-term debt	1,834,748	-	-	-
<b>Total governmental activities</b>	<b>\$ 96,462,993</b>	<b>\$ 2,277,196</b>	<b>\$ 30,544,933</b>	<b>\$ 165,385</b>
General revenues				
Property taxes, levied for general purposes				19,347,700
Property taxes, levied for debt service				7,760,367
State aid - unrestricted				44,863,817
Interest and investment earnings				35,245
Gain on sale of capital assets				36,830
Other				782,425
Total general revenues				72,826,384
Change in net position				9,350,905
Net position - beginning				(93,829,062)
<b>Net position - ending</b>				<b>\$ (84,478,157)</b>

See Accompanying Notes to the Financial Statements

**Midland Public Schools**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2022**

	General Fund	2019 Building and Site Project Fund	Non-major Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash	\$ 23,659,715	\$ 8,463,789	\$ 5,567,695	\$ 37,691,199
Taxes receivable	-	-	8,555	8,555
Accounts receivable	10,296	-	552	10,848
Leases receivable	1,756,611	-	-	1,756,611
Due from other funds	-	-	12,033	12,033
Due from other governmental units	12,609,335	-	62,362	12,671,697
Inventory	11,355	-	47,784	59,139
Investments	3,997,800	-	455,919	4,453,719
Prepaid items	<u>323,306</u>	<u>-</u>	<u>40,198</u>	<u>363,504</u>
 Total assets	 <u>\$ 42,368,418</u>	 <u>\$ 8,463,789</u>	 <u>\$ 6,195,098</u>	 <u>\$ 57,027,305</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,804,886	\$ 1,945,031	\$ 412,036	\$ 4,161,953
Due to other funds	-	-	12,033	12,033
Due to other governmental units	125,822	-	-	125,822
Payroll deductions and withholdings	3,189,740	-	-	3,189,740
Accrued expenditures	61,964	-	-	61,964
Accrued salaries payable	4,716,121	-	-	4,716,121
Unearned revenue	<u>435,100</u>	<u>-</u>	<u>100,594</u>	<u>535,694</u>
 Total liabilities	 <u>10,333,633</u>	 <u>1,945,031</u>	 <u>524,663</u>	 <u>12,803,327</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue				
Leases	<u>1,756,611</u>	<u>-</u>	<u>-</u>	<u>1,756,611</u>

See Accompanying Notes to the Financial Statements

**Midland Public Schools**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2022**

	General Fund	2019 Building and Site Project Fund	Non-major Governmental Funds	Total Governmental Funds
<b>Fund balance</b>				
Non-spendable				
Inventory	\$ 11,355	\$ -	\$ 53,784	\$ 65,139
Prepaid items	323,306	-	17,817	341,123
Restricted for				
Contributions for special projects	90,075	-	-	90,075
Capital improvements	-	6,518,758	289,883	6,808,641
Food service	-	-	1,355,877	1,355,877
Debt service	-	-	609,179	609,179
STEM	1,679,701	-	-	1,679,701
Committed - student activity	-	-	1,526,612	1,526,612
Assigned for				
Charger Shop Bookstore	-	-	67,790	67,790
PRME	-	-	1,755,493	1,755,493
Medical expenses	1,077,392	-	-	1,077,392
Post-bond copier replacement	1,000,000	-	-	1,000,000
Technology replacement	1,250,000	-	-	1,250,000
Bus replacement	400,000	-	-	400,000
Unassigned				
Cash flow management	24,446,345	-	-	24,446,345
Unassigned (deficit)	-	-	(6,000)	(6,000)
	<u>30,278,174</u>	<u>6,518,758</u>	<u>5,670,435</u>	<u>42,467,367</u>
<b>Total fund balances</b>	<u>30,278,174</u>	<u>6,518,758</u>	<u>5,670,435</u>	<u>42,467,367</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u>\$ 42,368,418</u>	<u>\$ 8,463,789</u>	<u>\$ 6,195,098</u>	<u>\$ 57,027,305</u>

See Accompanying Notes to the Financial Statements

**Midland Public Schools**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2022**

---

<b>Total fund balances for governmental funds</b>	\$ 42,467,367
Total net position for governmental activities in the statement of net position is different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	3,751,394
Capital assets - net of accumulated depreciation	112,453,746
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	982,045
Deferred outflows of resources resulting from the net pension liability	27,605,867
Deferred outflows of resources resulting from the net OPEB liability	10,855,259
Deferred inflows of resources resulting from the net pension liability	(46,693,528)
Deferred inflows of resources resulting from the net OPEB liability	(28,861,020)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(411,715)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Net pension liability	(115,478,560)
Net OPEB liability	(7,563,003)
Compensated absences	(428,544)
Bonds payable	(77,985,000)
Bond premium	<u>(5,172,465)</u>
<b>Net position of governmental activities</b>	<b><u>\$ (84,478,157)</u></b>

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

	General Fund	2019 Building and Site Project Fund	Non-major Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Local sources	\$ 21,311,074	\$ 170,310	\$ 9,505,543	\$ 30,986,927
State sources	61,473,099	-	144,585	61,617,684
Federal sources	3,243,018	-	4,040,524	7,283,542
Inter-district sources	5,888,915	-	-	5,888,915
Total revenues	91,916,106	170,310	13,690,652	105,777,068
<b>Expenditures</b>				
Current				
Education				
Instruction	58,403,368	-	-	58,403,368
Supporting services	31,255,715	-	849,188	32,104,903
Food services	-	-	3,450,721	3,450,721
Community services	175,785	-	-	175,785
Capital outlay	429,586	12,340,056	4,191,405	16,961,047
Debt service				
Principal	-	-	5,405,000	5,405,000
Interest and other expenditures	-	-	2,902,224	2,902,224
Payment to bond refunding escrow agent	-	-	200,000	200,000
Total expenditures	90,264,454	12,340,056	16,998,538	119,603,048
Excess (deficiency) of revenues under expenditures	1,651,652	(12,169,746)	(3,307,886)	(13,825,980)

See Accompanying Notes to the Financial Statements

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

	General Fund	2019 Building and Site Project Fund	Non-major Governmental Funds	Total Governmental Funds
<b>Other financing sources (uses)</b>				
Payment to bond refunding escrow agent	\$ -	\$ -	\$ (39,525,178)	\$ (39,525,178)
Proceeds from issuance of bonds	-	-	39,860,000	39,860,000
Proceeds from sale of capital assets	36,830	-	-	36,830
Transfers in	7,540	-	499,283	506,823
Transfers out	<u>(287,250)</u>	<u>-</u>	<u>(219,573)</u>	<u>(506,823)</u>
 Total other financing sources (uses)	 <u>(242,880)</u>	 <u>-</u>	 <u>614,532</u>	 <u>371,652</u>
 Net change in fund balance	 1,408,772	 (12,169,746)	 (2,693,354)	 (13,454,328)
 Fund balances - beginning	 <u>28,869,402</u>	 <u>18,688,504</u>	 <u>8,363,789</u>	 <u>55,921,695</u>
 <b>Fund balances - ending</b>	 <u><b>\$ 30,278,174</b></u>	 <u><b>\$ 6,518,758</b></u>	 <u><b>\$ 5,670,435</b></u>	 <u><b>\$ 42,467,367</b></u>

See Accompanying Notes to the Financial Statements



**Midland 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**

<b>Net change in fund balances - Total governmental funds</b>	<b>\$ (13,454,328)</b>
Total change in net position reported for governmental activities in the statement of activities is different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(4,875,970)
Capital outlay	10,771,813
Expenses are recorded when incurred in the statement of activities.	
Interest	199,201
Compensated absences	341,733
Unemployment claims	2,639
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	48,094,876
Net change in deferrals of resources related to the net pension liability	(45,612,729)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB liability	18,113,570
Net change in deferrals of resources related to the net OPEB liability	(10,368,353)
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. However in, the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.	
Debt issued	(39,860,000)
Repayments of long-term debt	5,405,000
Payment of bond refunding escrow agent	39,725,178
Amortization of premiums	950,435
Amortization of deferred amount on refunding	(82,160)
<b>Change in net position of governmental activities</b>	<b>\$ 9,350,905</b>

See Accompanying Notes to the Financial Statements

# Midland Public Schools

## Notes to the Financial Statements

### June 30, 2022

---

#### **Note 1 – Summary of Significant Accounting Policies**

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

##### **Reporting Entity**

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

##### **District-wide Financial Statements**

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

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

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

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

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

##### **Fund Financial Statements**

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

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

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

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

The School District reports the following major governmental funds:

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

**2019 Building and Site Project Fund** – The 2019 Building and Site Project Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished.

Additionally, the School District reports the following fund types:

**Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Funds include the Food Service, Charger Shop Bookstore, Chemic Corner Bookstore and Student Activity.

**Debt Service Fund** – The Debt Service Fund is used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

**Capital Projects Funds** – The nonmajor capital projects funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished.

**Assets, Liabilities and Net Position or Equity**

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

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

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

General Fund	
Principal residence exemption	0.6461
Non-principal residence	18.0000
Commercial personal property	6.0000
Industrial personal property	0.6461
Debt Service Funds	
All property	2.9500

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. Approximately 81% of the School District's tax roll lies within the City of Midland. Property taxes assessed to Midland Cogeneration Venture, Dow Chemical Co. and Xalt Energy represent approximately 9%, 6% and 3%, respectively, of total fiscal year City of Midland 2021 tax revenues.

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

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

taxes uncollected as of March 1 are purchased by the County of Midland and remitted to the School District by May 15.

**Investments** – Investments are stated at fair value.

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

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

**Capital Assets** – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	7-50 years
Site improvements	20 years
Equipment and furniture	5-20 years
Buses and other vehicles	8 years

**Deferred Outflows of Resources** – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refunding's are included in the district-wide financials statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a

difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities in the following year.

**Compensated Absences** – Employees who are not teachers are awarded vacation days based on years of employment.

Sick days are earned by employees at a rate prorated at 15 days per year. There is no contractual provision for payment of unused sick days.

**Long-term Obligations** – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which is not materially different than the interest rate method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types bond premiums and discounts during the current period.

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

**Pension** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

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

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

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

*Assigned* – amounts intended to be used for specific purposes, as determined by the Board of Education. The Board of Education has granted the Superintendent the authority to assign funds. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

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

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

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

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**Use of Estimates**

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

**Eliminations and Reclassifications**

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

**Adoption of New Accounting Standards**

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

**Upcoming Accounting and Reporting Changes**

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

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

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

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

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**Note 2 – Stewardship, Compliance, and Accountability**

**Budgetary Information**

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

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

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

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year.

**Excess of Expenditures over Appropriations**

The School District did not have significant expenditure budget variances.

**Compliance - Bond Proceeds**

The 2019 Building and Site Bond Fund is a fund that includes capital project activities funded with a bond issued May 7, 2019. The 2021 Energy Conservation Bond Fund is a fund that includes capital project activities fund with a bond issued March 25, 2021. For these capital projects, management believes the School District has complied, in all material respects, with the applicable provisions of Section 1351a of the Revised School Code. The following is a summary of the revenue and expenditures in the 2019 Building and Site Bond Funds and Energy

Conservation Bond from the inception of the funds through the current fiscal year:

	2019 Building and Site Bond	Energy Conservation Bond
Revenues	\$ 42,762,750	\$ 4,064,849
Expenditures	<u>36,243,992</u>	<u>3,774,966</u>
	<u>\$ 6,518,758</u>	<u>\$ 289,883</u>

**Compliance - Sinking Funds**

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

**Note 3 – Deposits and Investments**

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

	Governmental Activities
Cash	\$ 37,691,199
Investments	<u>4,453,719</u>
	<u>\$ 42,144,918</u>

# Midland Public Schools

## Notes to the Financial Statements

### June 30, 2022

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

Deposits (checking, savings accounts, money markets)	\$ 37,675,871
Investments in securities, mutual funds, and similar vehicles	4,453,719
Petty cash and cash on hand	15,328
Total	<u>\$ 42,144,918</u>

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

Investment	Fair Value	Maturities	Rating	Rating Organization
Stock	\$ 455,919	N/A	Unrated	N/A
U.S. Treasury Notes	<u>3,997,800</u>	Less than 1 year	AAA	S & P
	<u>\$ 4,453,719</u>			

The stock is held for the Student Activity Fund. It was donated to the School District to be used to generate income to award scholarships to worthy students. Individual scholarship provisions specify how the investments and related income may be used. The U.S. treasury notes are holding excess cash in the General Fund.

**Interest rate risk** – In accordance with its investment policy, the District manages its exposure to declines in fair values 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. In addition, the District will invest operating funds primarily in short term securities and limiting the average maturity in accordance with the District's cash requirements.

**Credit risk** – State statutes authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The District's investment policy further limits its investment choices to only those financial institutions, brokers/dealers, intermediaries, and advisors that meet the pre-qualifications of the District as detailed in their investment policy.

**Concentration of credit risk** – The District will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The stock is held in one company.

**Custodial credit risk – deposits** – In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy for custodial credit risk. As of year-end, \$29,769,205 of the District's bank balance of \$38,454,094 was exposed to custodial credit risk because it was uninsured and uncollateralized, \$8,434,888 was secured by the financial institution where the funds are held, and \$250,000 was insured.

**Custodial credit risk – investments** – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities in stock were uninsured and unregistered. As of June 30, 2022, the stock and U.S. treasury notes had a carrying value of \$4,453,719 and was held by the School District's investment management company.



**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**Note 4 – Leases Receivable**

The School District has three significant agreements leasing district buildings for cell phone towers. Two of the leases commenced in November 2005 and automatically renew in 5-year terms through October 2060 unless the lessee notifies the lessor in writing of the lessee's intention not to extend the agreement at least 60 days prior to the expiration of any term. It is the School District's intent to exercise all renewals. Payments increase 10% each renewal term and range from \$1,997 to \$4,094 per month in future years with an implied interest rate of 3.07%.

The third lease commenced in October 2008 and automatically renews in 5-year terms through November 2053 unless the lessee notifies the lessor in writing of the lessee's intention not to extend the agreement at least 30 days prior to the expiration of any term. It is the School District intent to exercise all renewals. Payments increase 10% each renewal term and range from \$700 to \$1,128 per month in future years with an implied interest rate of 2.00%

The District collected \$55,696, from the tenants for the year ended June 30, 2022, which includes \$8,526 in lease revenue and \$47,170 in lease interest revenue.

A lease receivable and deferred inflows have been recorded to reflect future expected payments. Future minimum lease payments are as follows:

Year Ending June 30,	Amount
2023	\$ 9,900
2024	8,816
2025	7,980
2026	11,417
2027	13,370
2028-2032	84,808
2033-2037	131,539
2038-2042	188,992
2043-2047	259,186
2048-2052	344,585
2053-2057	392,672
2058-2061	303,346
	\$ 1,756,611

**Note 5 – Fair Value Measurements**

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

# Midland Public Schools

## Notes to the Financial Statements

### June 30, 2022

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

Stock of \$455,919 is valued using quoted market prices (Level 1 inputs).

U.S. Treasury notes of \$3,997,800 is valued using quoted market prices (Level 1 inputs).

### Note 6 – Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 410,000	\$ -	\$ -	\$ 410,000
Construction in progress	7,386,968	3,341,394	7,386,968	3,341,394
Total capital assets not being depreciated	7,796,968	3,341,394	7,386,968	3,751,394
Capital assets being depreciated				
Buildings and additions	126,155,444	12,398,234	-	138,553,678
Site improvements	17,742,523	1,147,479	-	18,890,002
Equipment and furniture	9,220,913	841,704	-	10,062,617
Buses and other vehicles	4,850,297	429,970	908,847	4,371,420
Total capital assets being depreciated	157,969,177	14,817,387	908,847	171,877,717
Less accumulated depreciation for				
Buildings and additions	37,484,206	3,622,994	-	41,107,200
Site improvements	7,591,025	656,338	-	8,247,363
Equipment and furniture	6,697,420	349,505	-	7,046,925
Buses and other vehicles	3,684,197	247,133	908,847	3,022,483
Total accumulated depreciation	55,456,848	4,875,970	908,847	59,423,971
Net capital assets being depreciated	102,512,329	9,941,417	-	112,453,746
Net capital assets	\$ 110,309,297	\$ 13,282,811	\$ 7,386,968	\$ 116,205,140

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

### Governmental activities

Instruction	\$ 3,025,162
Support services	1,662,962
Food services	178,740
Community services	9,106
	<u>4,875,970</u>
Total governmental activities	<u>\$ 4,875,970</u>

### Construction Commitments

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

Project	Total Contract	Construction Commitment at Year End
Chestnut Hill Elementary	\$ 415,293	\$ 190,343
Siebert Elementary	281,697	171,085
Woodcrest Elementary	183,084	66,589
Jefferson Middle School	518,116	224,264
H.H. Dow High School	793,380	100,862
Midland High School	707,788	433,618
Northeast Middle School	1,347,579	760,397
Adams Elementary	279,011	173,567
Plymouth Elementary	613,366	235,033
Administration Building	24,170	14,985
District	635,582	331,870
Transportation and maintenance	864,814	619,871
	<u>\$ 6,663,880</u>	<u>\$ 3,322,484</u>

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

**Note 7 – Unearned Revenue**

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

Food service deposits	\$ 100,594
Grant and categorical aid payments	<u>435,100</u>
Total	<u>\$ 535,694</u>

**Note 8 – Interfund Activity**

Interfund transfers consist of the following:

<u>Transfers Out</u>			
General Fund	Non-major Governmental Funds	Total	
<b>Transfers In</b>			
General Fund	\$ -	\$ 7,540	\$ 7,540
Nonmajor governmental funds	<u>287,250</u>	<u>212,033</u>	<u>499,283</u>
	<u>\$ 287,250</u>	<u>\$ 219,573</u>	<u>\$ 506,823</u>

Transfers were made to reimburse the general fund for indirect costs incurred by the food service program. Transfers were made from General Fund to debt funds to move property tax collections. Transfers were made between debt funds for a bond refunding payment. In addition, transfers were made from the PRME fund to the HH Down Turf Project fund for projects.

Interfund balances at June 30, 2022 between nonmajor governmental funds were \$12,033. The outstanding balances between funds result from the time lag between the dates the transactions are recorded in the accounting system and payments between funds are made.

**Note 9 – Long-Term Debt**

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

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds payable					
Government obligation bonds	\$ 77,380,000	\$ 39,860,000	\$ 39,255,000	\$ 77,985,000	\$ 5,850,000
Premium on bonds	<u>10,933,873</u>	<u>-</u>	<u>5,761,408</u>	<u>5,172,465</u>	<u>-</u>
Total bonds payable	88,313,873	39,860,000	45,016,408	83,157,465	5,850,000
Other liabilities					
Compensated absences	<u>770,277</u>	<u>699,378</u>	<u>1,041,111</u>	<u>428,544</u>	<u>1,040,000</u>
Total	<u>\$ 89,084,150</u>	<u>\$ 40,559,378</u>	<u>\$ 46,057,519</u>	<u>\$ 83,586,009</u>	<u>\$ 6,890,000</u>

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

\$8,725,000 serial bonds due in annual installments of \$2,125,000 to \$2,350,000 through May 1, 2025, interest at 5.00%	\$ 6,700,000
\$39,860,000 serial bonds due in annual installments of \$1,240,000 to \$4,085,000 through May 1, 2035, interest at 0.38% to 2.33%	38,810,000
\$34,930,000 serial bonds due in annual installments of \$1,100,000 to \$2,575,000 through November 1, 2039, interest at 5.00%	28,800,000
\$3,875,000 serial bonds due in annual installments of \$210,000 to \$285,000 through May 1, 2037, interest at 2.00%	<u>3,675,000</u>
Total government obligation bonds	<u>\$ 77,985,000</u>

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

Year ending June 30,	Principal	Interest	Total
2023	\$ 5,850,000	\$ 2,525,188	\$ 8,375,188
2024	4,780,000	2,296,276	7,076,276
2025	4,910,000	2,117,790	7,027,790
2026	4,310,000	1,929,124	6,239,124
2027	4,355,000	1,836,744	6,191,744
2028-2032	25,055,000	7,491,478	32,546,478
2033-2037	23,675,000	3,520,862	27,195,862
2038-2042	5,050,000	381,250	5,431,250
	<u>\$ 77,985,000</u>	<u>\$ 22,098,712</u>	<u>\$ 100,083,712</u>

The general obligation bonds are payable from the debt service funds. As of year-end, the debt service funds had a combined fund balance of \$610,470 to pay this debt. Future debt and interest will be payable from future tax levies. Other long-term debt liabilities are expected to be paid primarily by General Fund resources.

#### **Advance Refunding**

On July 27, 2021, the School District issued general obligation bonds of \$39,860,000 (par value) with an interest rate of 0.26% to 2.33% to advance refund a portion of the 2015 Building and Site Bond funds with an interest rate of 5.00% and a par value of \$33,850,000. The term bonds mature on May 1, 2035. The general obligation bonds were issued at a premium and after paying issuance costs of \$334,822, the net proceeds were \$39,725,178. The net proceeds from the issuance of the general obligation bonds were deposited with an escrow agent to provide debt service payments until the term bonds mature. The advance refunding met the requirements of an in-substance debt defeasance, and the term bonds were removed from the School District's financial statements

As a result of the advance refunding, the School District reduced its total debt service requirements by \$4,374,430 which resulted in an economic gain of \$3,665,423

#### **Deferred Amount on Refunding**

The 2021 advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,064,205. The amount is reported in the accompanying statement of net position as a deferred outflow of resources and is being charged to activities through fiscal year 2035. The activity and resulting balance of this deferred amount is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Deferred amount on refunding	\$ -	\$ 1,064,205	\$ 82,160	\$ 982,045

#### **Compensated Absences**

Accrued compensated absences at year end consist of \$428,544 of vacation hours earned and vested. The amount anticipated to be paid out over the next year is included within the amounts listed as due within one year.

#### **Note 10 – Risk Management**

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

# Midland Public Schools

## Notes to the Financial Statements

### June 30, 2022

---

The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method the School District must reimburse the Employment Commission for all benefits charged against the School District for the year. The School District's unemployment compensation expense for the year was \$6,465. An amount of \$0 has been accrued for future claims in the district-wide financial statements.

#### **Note 11 – Pension Plan**

##### **Plan Description**

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

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

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

The System's financial statements are available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

##### **Benefits Provided**

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

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

##### **Contributions**

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

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

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

Required contributions to the pension plan from the School District were \$14,645,509 for the year ending September 30, 2021.

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

At June 30, 2022, the School District reported a liability of \$115,478,560 for its proportionate share of the MPERS net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2020. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2021, the School District's proportion was 0.4878 percent, which was an increase of 0.0116 percent from its proportion measured as of September 30, 2020.

For the plan year ending September 30, 2021, the School District recognized pension expense of \$12,261,015 for the measurement period. For the reporting period ending June 30, 2022, the School District recognized total pension contribution expense of \$16,349,620.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 1,788,812	\$ (680,031)	\$ 1,108,781
Changes in assumptions	7,279,356	-	7,279,356
Net difference between projected and actual earnings on pension plan investments	-	(37,125,986)	(37,125,986)
Changes in proportion and differences between district contributions and proportionate share of contributions	3,330,242	(1,092,109)	2,238,133
Total to be recognized in future	12,398,410	(38,898,126)	(26,499,716)
District contributions subsequent to the measurement date	15,207,457	(7,795,402)	7,412,055
	<u>\$ 27,605,867</u>	<u>\$ (46,693,528)</u>	<u>\$ (19,087,661)</u>

# Midland Public Schools

## Notes to the Financial Statements

### June 30, 2022

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

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

2022	\$ (2,926,762)
2023	(5,726,398)
2024	(8,148,752)
2025	(9,697,804)
	<u>\$ (26,499,716)</u>

#### Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

#### *Summary of Actuarial Assumptions:*

- Valuation Date: September 30, 2020
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
  - MIP and Basic Plans: 6.80% net of investment expenses
  - Pension Plus Plan: 6.80% net of investment expenses
  - Pension Plus 2 Plan: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
  - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
  - Active: RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total pension liability as of September 30, 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 is 4.4367 years.

Recognition period for assets is 5 years.

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

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

**Long-Term Expected Return on Plan Assets**

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

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

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

**Rate of Return**

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

**Discount Rate**

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



# Midland Public Schools

## Notes to the Financial Statements

### June 30, 2022

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

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

1% Decrease*	Current Single Discount Rate Assumption*	1% Increase*
5.80% / 5.80% / 5.00%	6.80% / 6.80% / 6.00%	7.80% / 7.80% / 7.00%
\$ 165,103,023	\$ 115,478,560	\$ 74,336,625

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

#### **Michigan Public School Employees' Retirement System (MPERS) Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS Annual Comprehensive Financial Report, available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

#### **Payables to the Michigan Public School Employees' Retirement System (MPERS)**

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

#### **Note 12 – Postemployment Benefits Other Than Pensions (OPEB)**

##### **Plan Description**

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employers, 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](http://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

# Midland Public Schools

## Notes to the Financial Statements

### June 30, 2022

members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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

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

#### Contributions

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over an 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	Employer
Premium Subsidy	3.0%	8.43%
Personal Healthcare Fund (PHF)	0.0%	7.57%

Required contributions to the OPEB plan from the School District were \$3,678,221 for the year ended September 30, 2021.

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

At June 30, 2022, the School District reported a liability of \$7,563,003 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 2019. The School District's proportion of the net OPEB liability was determined by dividing each employer statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2021, the School District's proportion was 0.4955 percent, which was an increase of 0.0162 percent from its proportion measured as of September 30, 2020.

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

For the plan year ending September 30, 2021, the School District recognized OPEB expense of (\$4,219,808) for the measurement period. For the reporting period ending June 30, 2022, the School District recognized total OPEB contribution expense of \$3,538,789.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$ (21,588,054)	\$ (21,588,054)
Changes in assumptions	6,322,295	(946,052)	5,376,243
Net difference between projected and actual earnings on OPEB plan investments	-	(5,700,372)	(5,700,372)
Changes in proportion and differences between district contributions and proportionate share of contributions	<u>1,498,980</u>	<u>(626,542)</u>	<u>872,438</u>
Total to be recognized in future	7,821,275	(28,861,020)	(21,039,745)
District contributions subsequent to the measurement date	<u>3,033,984</u>	<u>-</u>	<u>3,033,984</u>
	<u>\$ 10,855,259</u>	<u>\$ (28,861,020)</u>	<u>\$ (18,005,761)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

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

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

2022	\$ (5,693,718)
2023	(5,128,295)
2024	(4,542,200)
2025	(4,159,863)
2026	(1,339,873)
Thereafter	<u>(175,796)</u>
	<u>\$ (21,039,745)</u>

**Actuarial Assumptions**

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

Additional information as of the latest actuarial valuation follows:

*Summary of Actuarial Assumptions:*

- Valuation Date: September 30, 2020
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.95% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation at 2.75%

# Midland Public Schools

## Notes to the Financial Statements

### June 30, 2022

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

#### Other Assumptions:

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

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual 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 is 6.1312 years.

Recognition period for assets is 5 years.

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

#### Long-Term Expected Return on Plan Assets

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

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

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

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

**Rate of Return**

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

**Discount Rate**

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

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

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

1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
\$ 14,053,425	\$ 7,563,003	\$ 2,054,953

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

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 1,840,775	\$ 7,563,003	\$ 14,001,199

**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](http://www.michigan.gov/orsschools).

**Payables to the OPEB Plan**

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

**Note 13 – Contingent Liabilities**

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

**Midland Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**Note 14 – Tax Abatements**

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

For the fiscal year ended June 30, 2022, the School District's property tax revenues were reduced by \$352,599 under these programs.

There are no significant abatements made by the School District.

**Note 15 – Change in Accounting Principle**

The School District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 which enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. The 2021 financial statements include a prior period adjustment for the lease receivable. This adjustment had no effect on the beginning fund balance of the General Fund or beginning net position of the governmental activities since the deferred inflows equal the amount of the lease receivable.

The implementation had the following effect on net position and fund balance as reported June 30, 2021:

	General Fund	Governmental Activities
Net position/fund balance at June 30, 2021	\$ 28,869,402	\$ (93,829,062)
Adjustments		
Leases receivable	1,765,137	1,765,137
Deferred inflows - leases	<u>(1,765,137)</u>	<u>(1,765,137)</u>
Net position/fund balance at June 30, 2021 - restated	<u>\$ 28,869,402</u>	<u>\$ (93,829,062)</u>

## REQUIRED SUPPLEMENTARY INFORMATION

**Midland Public Schools**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Local sources	\$ 21,847,854	\$ 20,887,566	\$ 21,311,074	\$ 423,508
State sources	53,861,097	61,642,436	61,473,099	(169,337)
Federal sources	5,864,204	4,733,977	3,243,018	(1,490,959)
Inter-district sources	<u>5,220,065</u>	<u>5,837,546</u>	<u>5,888,915</u>	<u>51,369</u>
Total revenues	<u>86,793,220</u>	<u>93,101,525</u>	<u>91,916,106</u>	<u>(1,185,419)</u>
<b>Expenditures</b>				
Instruction				
Basic programs	43,162,527	46,077,271	44,640,822	(1,436,449)
Added needs	13,420,539	14,664,689	13,762,546	(902,143)
Supporting services				
Pupil	5,942,259	6,853,408	6,197,624	(655,784)
Instructional staff	5,360,720	6,340,398	5,841,989	(498,409)
General administration	818,977	880,443	824,415	(56,028)
School administration	5,118,724	5,247,030	5,251,510	4,480
Business	1,285,925	1,299,460	1,037,709	(261,751)
Operations and maintenance	6,753,454	6,178,238	5,635,844	(542,394)
Pupil transportation services	3,063,518	3,083,343	2,825,768	(257,575)
Central	2,559,023	2,647,817	2,385,888	(261,929)
Athletic activities	1,178,783	1,293,275	1,254,968	(38,307)
Community services	190,033	254,805	175,785	(79,020)
Intergovernmental payments	-	2,873	-	(2,873)
Capital outlay	<u>215,850</u>	<u>1,153,560</u>	<u>429,586</u>	<u>(723,974)</u>
Total expenditures	<u>89,070,332</u>	<u>95,976,610</u>	<u>90,264,454</u>	<u>(5,712,156)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,277,112)</u>	<u>(2,875,085)</u>	<u>1,651,652</u>	<u>4,526,737</u>



**Midland Public Schools**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	\$ 10,000	\$ 36,000	\$ 36,830	\$ 830
Transfers in	8,000	13,820	7,540	(6,280)
Transfers out	<u>(285,250)</u>	<u>(287,250)</u>	<u>(287,250)</u>	<u>-</u>
Total other financing sources (uses)	<u>(267,250)</u>	<u>(237,430)</u>	<u>(242,880)</u>	<u>(5,450)</u>
Net change in fund balance	(2,544,362)	(3,112,515)	1,408,772	4,521,287
Fund balance - beginning	<u>28,869,402</u>	<u>28,869,402</u>	<u>28,869,402</u>	<u>-</u>
<b>Fund balance - ending</b>	<u><u>\$ 26,325,040</u></u>	<u><u>\$ 25,756,887</u></u>	<u><u>\$ 30,278,174</u></u>	<u><u>\$ 4,521,287</u></u>

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. School District's proportion of net pension liability (%)	0.4878%	0.4762%	0.4762%	0.4720%	0.4767%	0.4848%	0.5099%	0.5161%	0.5369%	
B. School District's proportionate share of net pension liability	\$ 115,478,560	\$ 163,573,436	\$ 163,573,436	\$ 156,304,199	\$ 143,296,386	\$ 125,634,585	\$ 127,217,694	\$ 126,056,999	\$ 118,253,941	
C. School District's covered payroll	\$ 44,694,023	\$ 42,406,036	\$ 42,406,036	\$ 41,119,528	\$ 40,328,615	\$ 39,710,028	\$ 42,731,125	\$ 42,932,455	\$ 45,584,999	
D. School District's proportionate share of net pension liability as a percentage of its covered payroll	258.38%	385.73%	385.73%	380.12%	355.32%	316.38%	297.72%	293.62%	259.41%	
E. Plan fiduciary net position as a percentage of total pension liability	72.60%	59.72%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%	

**Note Disclosures**

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

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

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

		For the Years Ended June 30,									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A.	Statutorily required contributions	\$ 16,349,620	\$ 14,618,424	\$ 12,950,251	\$ 12,408,361	\$ 13,031,500	\$ 9,514,853	\$ 7,903,041	\$ 11,142,292		
B.	Contributions in relation to statutorily required contributions	<u>16,349,620</u>	<u>14,618,424</u>	<u>12,950,251</u>	<u>12,408,361</u>	<u>13,031,500</u>	<u>9,514,853</u>	<u>7,903,041</u>	<u>11,142,292</u>		
C.	Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
D.	School District's covered payroll	\$ 44,524,242	\$ 44,393,572	\$ 42,137,142	\$ 40,752,245	\$ 40,083,864	\$ 50,890,617	\$ 41,203,107	\$ 43,433,366		
E.	Contributions as a percentage of covered payroll	36.72%	32.93%	30.73%	30.45%	32.51%	18.70%	19.18%	25.65%		

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. School District's proportion of net OPEB liability (%)	0.4955%	0.4793%	0.4711%	0.4743%	0.4863%					
B. School District's proportionate share of net OPEB liability	\$ 25,676,573	\$ 25,676,573	\$ 33,817,889	\$ 37,704,253	\$ 43,060,419					
C. School District's covered payroll	\$ 44,694,023	\$ 42,406,036	\$ 41,119,528	\$ 40,328,615	\$ 39,710,028					
D. School District's proportionate share of net OPEB liability as a percentage of its covered payroll	57.45%	60.55%	82.24%	93.49%	108.44%					
E. Plan fiduciary net position as a percentage of total OPEB liability	87.33%	59.44%	48.46%	42.95%	36.39%					

**Note Disclosures**

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

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

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

		For the Years Ended June 30,									
		<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
A.	Statutorily required contributions	\$ 3,538,789	\$ 3,658,895	\$ 3,452,808	\$ 3,267,826	\$2,970,754					
B.	Contributions in relation to statutorily required contributions	<u>3,538,789</u>	<u>3,658,895</u>	<u>3,452,808</u>	<u>3,267,826</u>	<u>2,970,754</u>					
C.	Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
D.	School District's covered payroll	\$44,524,242	\$44,393,572	\$ 42,137,142	\$40,752,245	40,083,864					
E.	Contributions as a percentage of covered payroll	7.95%	8.24%	8.19%	8.02%	7.41%					

## OTHER SUPPLEMENTARY INFORMATION

**Midland Public Schools**  
**Other Supplementary Information**  
**Non-major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2022**

	Special Revenue Funds			Debt Service Fund				Capital Project Funds			Total
	Food Service	Charger Shop Bookstore	Student Activity	2015 Building and Site Bond Fund	2019 Building and Site Bond Fund	Energy Conservation Bond Fund	2021 Refunding Bond Fund	PRME	HH Dow Turf Project	Energy Conservation Bond Fund	Non-major Governmental Funds
<b>Assets</b>											
Cash	\$ 1,560,445	\$ 68,788	\$ 1,156,700	\$ 172,917	\$ 310,024	\$ 1,259	\$ 116,424	\$ 1,823,949	\$ 56,314	\$ 300,875	\$ 5,567,695
Taxes receivable	-	-	-	2,697	4,002	-	1,856	-	-	-	8,555
Accounts receivable	-	-	552	-	-	-	-	-	-	-	552
Due from other funds	-	-	-	-	-	-	-	-	12,033	-	12,033
Due from other governmental units	62,362	-	-	-	-	-	-	-	-	-	62,362
Inventory	47,784	-	-	-	-	-	-	-	-	-	47,784
Investments	-	-	455,919	-	-	-	-	-	-	-	455,919
Prepaid items	16,526	-	16,381	458	458	375	-	-	6,000	-	40,198
Total assets	<u>\$ 1,687,117</u>	<u>\$ 68,788</u>	<u>\$ 1,629,552</u>	<u>\$ 176,072</u>	<u>\$ 314,484</u>	<u>\$ 1,634</u>	<u>\$ 118,280</u>	<u>\$ 1,823,949</u>	<u>\$ 74,347</u>	<u>\$ 300,875</u>	<u>\$ 6,195,098</u>
<b>Liabilities</b>											
Accounts payable	\$ 166,336	\$ 998	\$ 102,940	\$ -	\$ -	\$ -	\$ -	\$ 56,423	\$ 74,347	\$ 10,992	\$ 412,036
Due to other funds	-	-	-	-	-	-	-	12,033	-	-	12,033
Unearned revenue	100,594	-	-	-	-	-	-	-	-	-	100,594
Total liabilities	<u>266,930</u>	<u>998</u>	<u>102,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,456</u>	<u>74,347</u>	<u>10,992</u>	<u>524,663</u>
<b>Fund Balance</b>											
Non-spendable											
Inventory	47,784	-	-	-	-	-	-	-	6,000	-	53,784
Prepaid items	16,526	-	-	458	458	375	-	-	-	-	17,817
Restricted for											
Capital improvements	-	-	-	-	-	-	-	-	-	289,883	289,883
Food service	1,355,877	-	-	-	-	-	-	-	-	-	1,355,877
Debt service	-	-	-	175,614	314,026	1,259	118,280	-	-	-	609,179
Committed	-	-	1,526,612	-	-	-	-	-	-	-	1,526,612
Assigned	-	67,790	-	-	-	-	-	1,755,493	-	-	1,823,283
Unassigned (deficit)	-	-	-	-	-	-	-	-	(6,000)	-	(6,000)
Total fund balances	<u>1,420,187</u>	<u>67,790</u>	<u>1,526,612</u>	<u>176,072</u>	<u>314,484</u>	<u>1,634</u>	<u>118,280</u>	<u>1,755,493</u>	<u>-</u>	<u>289,883</u>	<u>5,670,435</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u>\$ 1,687,117</u>	<u>\$ 68,788</u>	<u>\$ 1,629,552</u>	<u>\$ 176,072</u>	<u>\$ 314,484</u>	<u>\$ 1,634</u>	<u>\$ 118,280</u>	<u>\$ 1,823,949</u>	<u>\$ 74,347</u>	<u>\$ 300,875</u>	<u>\$ 6,195,098</u>

**Midland Public Schools**  
**Other Supplementary Information**  
**Non-major Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2022**

	Special Revenue Funds			Debt Service Fund				Capital Project Funds			Total
	Food Service	Charger Shop Bookstore	Student Activity	2015 Building and Site Bond Fund	2019 Building and Site Bond Fund	Energy Conservation Bond Fund	2021 Refunding Bond Fund	PRME	HH Dow Turf Project	Energy Conservation Bond Fund	Non-major Governmental Funds
<b>Revenues</b>											
Local sources	\$ 293,797	47,826	\$ 878,828	\$ 2,459,146	\$ 3,622,615	\$ 19	\$ 1,679,310	\$ 357,899	\$ 165,385	\$ 718	\$ 9,505,543
State sources	144,585	-	-	-	-	-	-	-	-	-	144,585
Federal sources	4,040,524	-	-	-	-	-	-	-	-	-	4,040,524
Total revenues	4,478,906	47,826	878,828	2,459,146	3,622,615	19	1,679,310	357,899	165,385	718	13,690,652
<b>Expenditures</b>											
Current											
Education											
Supporting services	-	43,678	798,031	-	7,469	10	-	-	-	-	849,188
Food services	3,450,721	-	-	-	-	-	-	-	-	-	3,450,721
Capital outlay	527,385	-	-	-	-	-	-	768,867	656,302	2,238,851	4,191,405
Debt service											
Principal	-	-	-	2,025,000	2,130,000	200,000	1,050,000	-	-	-	5,405,000
Interest and other expenditures	-	-	-	444,797	1,525,950	85,625	845,852	-	-	-	2,902,224
Payment to bond refunding escrow agent	-	-	-	-	-	-	200,000	-	-	-	200,000
Total expenditures	3,978,106	43,678	798,031	2,469,797	3,663,419	285,635	2,095,852	768,867	656,302	2,238,851	16,998,538
Excess (deficiency) of revenues over expenditures	500,800	4,148	80,797	(10,651)	(40,804)	(285,616)	(416,542)	(410,968)	(490,917)	(2,238,133)	(3,307,886)
<b>Other financing sources (uses)</b>											
Payment to bond refunding escrow agent	-	-	-	-	-	-	(39,525,178)	-	-	-	(39,525,178)
Proceeds from issuance of bonds	-	-	-	-	-	-	39,860,000	-	-	-	39,860,000
Transfers in	-	-	-	-	-	287,250	200,000	-	12,033	-	499,283
Transfers out	(7,540)	-	-	(200,000)	-	-	-	(12,033)	-	-	(219,573)
Total other financing sources (uses)	(7,540)	-	-	(200,000)	-	287,250	534,822	(12,033)	12,033	-	614,532
Net change in fund balance	493,260	4,148	80,797	(210,651)	(40,804)	1,634	118,280	(423,001)	(478,884)	(2,238,133)	(2,693,354)
Fund balances - beginning	926,927	63,642	1,445,815	386,723	355,288	-	-	2,178,494	478,884	2,528,016	8,363,789
<b>Fund balances - ending</b>	<b>\$ 1,420,187</b>	<b>\$ 67,790</b>	<b>\$ 1,526,612</b>	<b>\$ 176,072</b>	<b>\$ 314,484</b>	<b>\$ 1,634</b>	<b>\$ 118,280</b>	<b>\$ 1,755,493</b>	<b>\$ -</b>	<b>\$ 289,883</b>	<b>\$ 5,670,435</b>



**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Comparative Balance Sheet**  
**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash	\$ 23,659,715	\$ 27,230,937
Accounts receivable	10,296	30,246
Leases receivable	1,756,611	1,765,137
Due from other funds	-	6,291
Due from other governmental units	12,609,335	11,265,853
Inventory	11,355	8,866
Investments	3,997,800	-
Prepaid items	<u>323,306</u>	<u>146,615</u>
<b>Total assets</b>	<u><u>\$ 42,368,418</u></u>	<u><u>\$ 40,453,945</u></u>
<b>Liabilities</b>		
Accounts payable	\$ 1,804,886	\$ 1,756,524
Due to other governmental units	125,822	50,978
Payroll deductions and withholdings	3,189,740	2,801,663
Accrued expenditures	61,964	41,250
Accrued salaries payable	4,716,121	4,438,561
Unearned revenue	<u>435,100</u>	<u>730,430</u>
<b>Total liabilities</b>	<u><u>10,333,633</u></u>	<u><u>9,819,406</u></u>
<b>Deferred inflows of resources</b>		
Unavailable revenue		
Leases	<u>1,756,611</u>	<u>1,765,137</u>

**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Comparative Balance Sheet**  
**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Fund balance</b>		
Non-spendable		
Inventory	\$ 11,355	\$ 8,866
Prepaid items	323,306	146,615
Restricted for		
Contributions for special projects	90,075	83,038
STEM	1,679,701	1,768,771
Assigned for		
Medical expenses	1,077,392	908,989
Post-bond copier replacements	1,000,000	1,000,000
Technology replacement	1,250,000	1,000,000
Bus replacement	400,000	200,000
Unassigned		
Cash flow management	<u>24,446,345</u>	<u>23,753,123</u>
Total fund balance	<u>30,278,174</u>	<u>28,869,402</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u><u>\$ 42,368,418</u></u>	<u><u>\$ 40,453,945</u></u>

**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Schedule of Revenues**  
**For the Year Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Revenue from local sources</b>		
Property tax levy	\$ 19,347,700	\$ 20,784,398
Tuition	36,726	12,020
Transportation fees	16,510	-
Earnings on investments	34,522	59,380
Student activities	363,622	230,858
Community service activities	841,114	549,793
Other local revenues	<u>670,880</u>	<u>591,415</u>
Total revenues from local sources	<u>21,311,074</u>	<u>22,227,864</u>
<b>Revenues from state sources</b>		
Grants - unrestricted	44,863,817	42,595,360
Grants - restricted	16,083,246	15,127,648
State payments in lieu of taxes	<u>526,036</u>	<u>1,013,962</u>
Total revenues from state sources	<u>61,473,099</u>	<u>58,736,970</u>
<b>Revenues from federal sources</b>		
Grants	<u>3,243,018</u>	<u>5,875,432</u>
<b>Interdistrict sources</b>		
Tuition	260,219	255,901
ISD collected millage	5,100,329	5,190,076
Cooperative education	107,382	120,674
Other	<u>420,985</u>	<u>314,182</u>
Total interdistrict sources	<u>5,888,915</u>	<u>5,880,833</u>
<b>Other financing sources</b>		
Proceeds from sale of capital assets	36,830	9,998
Transfers in	<u>7,540</u>	<u>10,489</u>
Total other financing sources	<u>44,370</u>	<u>20,487</u>
<b>Total revenue and other financing sources</b>	<u><u>\$ 91,960,476</u></u>	<u><u>\$ 92,741,586</u></u>

**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Schedule of Expenditures**  
**For the Year Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Basic program - elementary school</b>		
Salaries	\$ 11,047,370	\$ 11,505,722
Employee benefits	7,957,752	7,897,440
Purchased services	507,512	417,923
Supplies and materials	332,049	277,142
Other	<u>94,965</u>	<u>77,033</u>
Total elementary school	<u>19,939,648</u>	<u>20,175,260</u>
<b>Basic program - middle school</b>		
Salaries	5,561,738	5,889,747
Employee benefits	3,879,978	3,771,412
Purchased services	159,966	457,925
Supplies and materials	183,225	252,315
Other	<u>18,591</u>	<u>-</u>
Total middle school	<u>9,803,498</u>	<u>10,371,399</u>
<b>Basic program - high school</b>		
Salaries	7,480,873	7,950,226
Employee benefits	5,280,749	5,240,108
Purchased services	351,393	528,835
Supplies and materials	271,812	242,136
Other	<u>41,045</u>	<u>67,137</u>
Total high school	<u>13,425,872</u>	<u>14,028,442</u>
<b>Basic program - pre-school</b>		
Salaries	302,661	148,402
Employee benefits	292,979	128,760
Purchased services	5,036	2,241
Supplies and materials	23,204	8,479
Other	<u>-</u>	<u>763</u>
Total pre-school	<u>623,880</u>	<u>288,645</u>

**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Schedule of Expenditures**  
**For the Year Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Basic program - summer school</b>		
Salaries	\$ 567,868	\$ 146,786
Employee benefits	241,226	74,749
Purchased services	33,473	19,000
Supplies and materials	<u>5,357</u>	<u>22,851</u>
Total summer school	<u>847,924</u>	<u>263,386</u>
<b>Added needs - special education</b>		
Salaries	5,578,012	5,293,143
Employee benefits	3,969,949	3,418,358
Purchased services	215,922	208,580
Supplies and materials	23,421	19,188
Other	<u>2,175,158</u>	<u>1,786,938</u>
Total special education	<u>11,962,462</u>	<u>10,726,207</u>
<b>Added needs - compensatory education</b>		
Salaries	441,014	387,018
Employee benefits	275,295	227,718
Purchased services	12,857	12,878
Supplies and materials	<u>2,607</u>	<u>96,988</u>
Total compensatory education	<u>731,773</u>	<u>724,602</u>
<b>Added needs - career and technical education</b>		
Salaries	538,284	499,109
Employee benefits	402,012	348,556
Purchased services	32,619	6,374
Supplies and materials	43,705	31,696
Other	<u>51,691</u>	<u>53,167</u>
Total career and technical education	<u>1,068,311</u>	<u>938,902</u>

**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Schedule of Expenditures**  
**For the Year Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Pupil - guidance services</b>		
Salaries	\$ 653,772	\$ 652,403
Employee benefits	485,364	459,828
Purchased services	82,409	48,328
Supplies and materials	<u>1,693</u>	<u>992</u>
Total guidance services	<u>1,223,238</u>	<u>1,161,551</u>
<b>Pupil - health services</b>		
Salaries	402,590	390,952
Employee benefits	314,614	274,061
Purchased services	111,445	28,448
Supplies and materials	<u>3,585</u>	<u>714</u>
Total health services	<u>832,234</u>	<u>694,175</u>
<b>Pupil - psychological services</b>		
Salaries	289,227	374,368
Employee benefits	209,118	242,436
Purchased services	7,725	-
Supplies and materials	<u>5,241</u>	<u>4,103</u>
Total psychological services	<u>511,311</u>	<u>620,907</u>
<b>Pupil - speech services</b>		
Salaries	805,460	828,698
Employee benefits	590,889	545,524
Purchased services	826	21
Supplies and materials	<u>3,011</u>	<u>1,156</u>
Total speech services	<u>1,400,186</u>	<u>1,375,399</u>

**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Schedule of Expenditures**  
**For the Year Ended June 30, 2022 and 2021**

	2022	2021
<b>Pupil - social work services</b>		
Salaries	\$ 660,012	\$ 522,330
Employee benefits	480,084	347,239
Purchased services	114	1,694
Supplies and materials	17,226	3,621
Total social work services	<u>1,157,436</u>	<u>874,884</u>
<b>Pupil - teacher consultant</b>		
Salaries	183,709	96,934
Employee benefits	120,863	65,610
Total teacher consultant	<u>304,572</u>	<u>162,544</u>
<b>Pupil - other support services</b>		
Salaries	429,240	370,894
Employee benefits	243,544	183,807
Purchased services	47,663	29,706
Supplies and materials	48,003	23,511
Other	197	-
Total other pupil support services	<u>768,647</u>	<u>607,918</u>
<b>Instructional staff - improvement of education</b>		
Salaries	1,540,866	1,296,506
Employee benefits	1,057,910	858,513
Purchased services	298,557	211,959
Supplies and materials	90,472	25,819
Other	21,313	21,354
Total improvement of education	<u>3,009,118</u>	<u>2,414,151</u>

**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Schedule of Expenditures**  
**For the Year Ended June 30, 2022 and 2021**

	2022	2021
<b>Instructional staff - educational media services</b>		
Salaries	\$ 183,492	\$ 127,388
Employee benefits	187,075	67,295
Purchased services	11,406	58,424
Supplies and materials	27,512	42,658
Total educational media services	409,485	295,765
<b>Instructional staff - technology assisted instruction</b>		
Salaries	564,228	601,818
Employee benefits	455,898	449,165
Purchased services	362,093	123,604
Supplies and materials	35,174	8,066
Other	13,543	7,530
Total technology assisted instruction	1,430,936	1,190,183
<b>Instructional staff - supervision and direction of instructional staff</b>		
Salaries	506,864	480,929
Employee benefits	372,746	324,636
Purchased services	19,996	2,434
Supplies and materials	1,856	1,872
Other	-	90
Total supervision and direction of instructional staff	901,462	809,961
<b>Instructional staff - academic student assessment</b>		
Salaries	48,426	-
Employee benefits	41,716	-
Supplies and materials	846	-
Total academic student assessment	90,988	-
<b>General administration - board of education</b>		
Purchased services	81,467	61,530
Other	16,411	13,589
Total board of education	97,878	75,119



**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Schedule of Expenditures**  
**For the Year Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>General administration - executive administration</b>		
Salaries	\$ 411,324	\$ 372,285
Employee benefits	277,911	228,239
Purchased services	26,576	27,749
Supplies and materials	<u>10,726</u>	<u>1,959</u>
Total executive administration	<u>726,537</u>	<u>630,232</u>
<b>School administration - office of the principal</b>		
Salaries	3,039,869	3,021,525
Employee benefits	2,173,001	2,013,000
Purchased services	10,389	16,843
Supplies and materials	18,457	15,632
Other	<u>9,794</u>	<u>6,856</u>
Total office of the principal	<u>5,251,510</u>	<u>5,073,856</u>
<b>Business - fiscal services</b>		
Salaries	421,416	392,761
Employee benefits	300,138	262,864
Purchased services	27,808	16,117
Supplies and materials	4,038	5,120
Other	<u>27,516</u>	<u>23,664</u>
Total fiscal services	<u>780,916</u>	<u>700,526</u>
<b>Business - internal services</b>		
Purchased services	10,328	14,275
Supplies and materials	<u>101,861</u>	<u>78,427</u>
Total internal services	<u>112,189</u>	<u>92,702</u>

**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Schedule of Expenditures**  
**For the Year Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Business - other</b>		
Purchased services	\$ 143,618	\$ 267,213
Other	<u>986</u>	<u>188,255</u>
Total other business	<u>144,604</u>	<u>455,468</u>
<b>Operations and maintenance - operating building services</b>		
Salaries	799,149	833,202
Employee benefits	675,647	682,451
Purchased services	2,354,249	2,312,535
Supplies and materials	<u>1,806,799</u>	<u>2,129,571</u>
Total operating building services	<u>5,635,844</u>	<u>5,957,759</u>
<b>Pupil transportation services</b>		
Salaries	1,337,431	1,166,403
Employee benefits	1,027,308	884,620
Purchased services	79,086	91,797
Supplies and materials	379,626	278,532
Other	<u>2,317</u>	<u>76</u>
Total transportation services	<u>2,825,768</u>	<u>2,421,428</u>
<b>Central - communication services</b>		
Salaries	64,978	56,223
Employee benefits	57,135	42,755
Purchased services	7,789	6,970
Supplies and materials	<u>2,348</u>	<u>1,560</u>
Total communication services	<u>132,250</u>	<u>107,508</u>

**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Schedule of Expenditures**  
**For the Year Ended June 30, 2022 and 2021**

	2022	2021
<b>Central - staff/personnel services</b>		
Salaries	\$ 281,797	\$ 259,800
Employee benefits	219,200	193,449
Purchased services	98,576	68,731
Supplies and materials	10,075	7,337
Other	5,502	3,450
Total staff/personnel services	615,150	532,767
<b>Central - support services technology</b>		
Salaries	259,796	290,401
Employee benefits	184,688	208,528
Purchased services	715,244	596,190
Supplies and materials	109,066	72,999
Other	7,597	47,458
Total support services technology	1,276,391	1,215,576
<b>Central - pupil accounting</b>		
Salaries	43,428	17,542
Employee benefits	33,164	8,708
Purchased services	1,859	850
Other	1,370	85
Total pupil accounting	79,821	27,185
<b>Central - other</b>		
Salaries	77,250	34,495
Employee benefits	44,347	22,277
Purchased services	60,863	-
Supplies and materials	114	-
Total other	182,574	56,772

**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Schedule of Expenditures**  
**For the Year Ended June 30, 2022 and 2021**

	2022	2021
<b>Other support services</b>		
Salaries	\$ 65,538	\$ 64,458
Employee benefits	34,164	31,872
Total other support services	99,702	96,330
<b>Athletic activities</b>		
Salaries	528,502	498,338
Employee benefits	300,352	252,732
Purchased services	261,418	228,606
Supplies and materials	73,115	98,011
Other	91,581	51,151
Total athletic activities	1,254,968	1,128,838
<b>Community services - community activities</b>		
Salaries	33,171	27,250
Employee benefits	26,641	21,164
Purchased services	500	-
Supplies and materials	13,036	7,290
Total community activities	73,348	55,704
<b>Community services - welfare activities</b>		
Salaries	25,000	-
Employee benefits	23,156	-
Purchased services	-	832
Total welfare activities	48,156	832
<b>Community services - non-public school pupils</b>		
Salaries	29,574	32,648
Employee benefits	18,305	20,384
Purchased services	6,003	5,747
Supplies and materials	399	16,365
Total non-public school pupils	54,281	75,144

**Midland Public Schools**  
**Other Supplementary Information**  
**General Fund**  
**Schedule of Expenditures**  
**For the Year Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Capital outlay</b>		
Basic program - elementary	\$ 19,098	\$ 2,246
Basic program - middle school	21,054	3,893
Basic program - high school	32,724	29,553
Basic program - pre-school	2,978	-
Added needs - career and technical education	8,605	19,678
Instructional staff - improvement of education	214	559
Instructional staff - technology assisted instruction	5,046	16,053
Instructional staff - supervision and direction of instructional staff	583	150
School administration - office of the principal	3,709	820
Business - fiscal services	-	371
Operations and maintenance - operating building services	66,749	310,198
Central - support services technology	60,663	282,179
Facilities acquisition	<u>208,163</u>	<u>60,072</u>
Total capital outlay	<u>429,586</u>	<u>725,772</u>
<b>Other financing uses</b>		
Transfers out	<u>287,250</u>	<u>1,200,000</u>
<b>Total expenditures and financing uses</b>	<u><b>\$ 90,551,704</b></u>	<u><b>\$ 88,353,799</b></u>