



Holland, Michigan

**Ottawa Area Intermediate School District
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

YEAR ENDED JUNE 30, 2023

**Issued by:
Office of the Superintendent
Chief Financial Officer
Christopher Lamer**

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INTRODUCTORY SECTION

October 31, 2023

Members of the Board and Citizens of the
Ottawa Area Intermediate School District:

The Annual Comprehensive Financial Report of the Ottawa Area Intermediate School District (OAISD) for the fiscal year ended June 30, 2023, is submitted herewith. The financial statements included in this report have been audited by Maner Costerisan, an independent firm of certified public accountants. The report is prepared for the purpose of disclosing the OAISD's financial condition to its residents, elected officials, and other interested parties.

The report is comprised of three sections. The *Introductory Section* includes the table of contents, letter of transmittal, and organizational data. The *Financial Section* includes the Independent Auditor's Opinion, the Management Discussion and Analysis, Basic Financial Statements, Notes to the Financial Statements and the Combining and Individual Fund Statements and Schedules. The *Statistical Section* includes tables that reflect economic and financial data and trends, together with the current fiscal capacity of the County.

The *Notes to Financial Statements* are considered to be an integral part of the report and should be read for a more complete understanding of the statements and information presented therein.

The financial statements have been prepared in compliance with applicable State statutes and Generally Accepted Accounting Principles (GAAP) as stated in the Governmental Accounting Standards Board statements and interpretations. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the OAISD. We believe the data, as presented, is accurate in all material aspects, and that it is presented in such a manner as to fairly set forth the financial position and results of operations of the OAISD as measured by the financial activity of its funds.

The independent audit of the financial statements of the OAISD was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements required the independent auditor to report not only on the fair presentation of the financial statements, but also on the OAISD's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the OAISD's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The OAISD's MD&A can be found immediately following the report of the independent auditor.

Budget controls are maintained at a *Function* level within the general and special revenue funds. A function is most often the highest hierarchy level within a fund, such as a program. From an expenditure control perspective, a function is restricted by its total budgeted appropriation. Expenditure accounts within a functional budget are not controlled at the line-item *Object* level, but rather in summary at the function level.

History & Services

OAISD was established in 1962 as a regional educational service agency mandated by the legislature to provide services and programs which enhance efficiency and economy to local school districts, as well as compile statistical data about local schools for the state. OAISD is one of 56 Intermediate School Districts in the state of Michigan, and encompasses regional special education, career/technical education, and general education services. OAISD and its member schools serve over 50,000 student's ages 0-26 throughout Ottawa and parts of Allegan and Muskegon Counties. OAISD has taken the District to the next level by providing a dynamic and responsive relationship with its local school districts, public school academies, non-public schools and other community and business partners. In fact, the needs of our customers actually define the OAISD. Driven by its vision and mission to enhance the educational effectiveness, efficiency, and success of students, schools, and communities, the OAISD has established a strategic focus designed to meet the unique needs of its diverse client base.

OAISD is an independent school district that is governed by a five-member Board of Education. The Board of Education is elected by representatives from the constituent local school boards within OAISD territory. The school board members are officers who carry out the state's educational obligations. They are responsible for developing long-range goals, establishing policy, designating a superintendent, adopting and amending operating budgets, evaluating school programs and curriculum, staffing, among many other tasks. Thanks to the sound management by the Board, the District continues to be financially stable, including high credit ratings, low interest rates, and healthy fund equity.

The OAISD, which encompasses nearly all of the geographic territory of Ottawa County, approximately 14,300 parcels of property in northern Allegan County and 1,500 parcels of property in southern Muskegon County, serves eleven public school districts and seven public school academies. The eleven districts are Allendale Public Schools, Coopersville Public Schools, Grand Haven Area Public Schools, Hamilton Community Schools, Holland Public Schools, Hudsonville Public Schools, Jenison Public Schools, Saugatuck Public Schools, Spring Lake Public Schools, West Ottawa Public Schools, and Zeeland Public Schools. The seven academies are Black River Public School, Eagle Crest Academy, iCademy, Innocademy, Vanderbilt Academy, Walden Green Day School, and West Michigan Academy of Arts and Academics. Total enrollment within the OAISD is approximately 48,000 students. Additionally, services are available to those non-public schools within the OAISD that meet the reporting requirements of the State. Pupils in these schools number approximately 6,500.

OAISD operates and houses services and programs at ten facilities. The district-owned administration facility, **Educational Services Building**, primarily houses consultant and support services that includes business services, communications and marketing, governmental relations, health education and promotion, human resources, instructional services, technology and media services. A conference center is located within the building to support training of staff, local district employees, and community members.

Special Needs Services include classroom programs for students with moderate to severe mental impairments housed at the district-owned **Ottawa Area Center**. An infant development program is offered at multiple leased locations with the main location at City on a Hill in Zeeland. District-owned **Sheldon Pines School** provides classroom programming for students with severe emotional impairments. Early Childhood Autistic Impairment programs are operated at Ottawa Area Center, Holland Public School District and Spring Lake Public School District. The OAISD also operates Young Adult Services instruction programs for students with minimal to moderate mental impairments at the two district owned sites, **Roerink-Knoll Educational Center** in Holland and the **Elliott Avenue** building in Grand Haven, along with leased sites in Coopersville, Hudsonville and Zeeland. Along with these programs, the OAISD coordinates and supports special needs services, special education delivery systems, and provides technical and legal support in the area of special education and truancy.

Career and Technical Education services provide leadership to local school districts, business and industry, and the community. The district-owned **Careerline Tech Center** provides junior and senior students education through career technical courses. Post-secondary training is offered at the district-owned **Patrick A. Thompson M-TEC**. The OAISD also offers work-based learning services and leadership to local schools, business and industry, and community in support of career planning and preparation.

The seven District-owned buildings range in age from 22 to 91 years, but with continuous routine maintenance, renovations and upgrades, the buildings are structurally sound and in excellent condition. The District maintains a 3-year capital plan that is reviewed and updated annually. The plan ensures necessary improvements and upgrades are made in a timely manner and within budget for the facilities and equipment.

Local Economy

Intermediate Schools Districts (ISDs) are funded from revenue received from local, state and federal sources. A significant source of local revenue is from property tax revenue. These funds are used to operate the district's programming. The district budgets annually for all funds, evaluating the projected revenues for each fund. In Michigan, ISD's are funded primarily on a property tax model, and local districts are funded on an enrollment model. Ottawa Area ISD is supported by a strong tax base and the residents have approved adequate millages to ensure financial stability for the foreseeable future.

The general fund millage rate is a set portion of the counties allocated millage to support the Townships, County, and ISD. In November of 2018, the voters approved the allocated millage rates, setting the OAISD millage rate at 0.1220 mills. This millage rate is reduced annually by the Headlee Rollback formula, resulting in a 2022-2023 levy of 0.1176 mills. The revenue received is used for the operation of all the OAISD programs, except cooperative education, special education, and vocational education, but the general fund can assist with the costs of these other funds. A Headlee rollback occurs if the county's assessed value of real and personal property in the taxing jurisdiction exceeds the inflation rate, the authorized millage rate is reduced to the rate of inflation.

ISDs, are given the authority to implement and finance career technical education programs. In fiscal year 2022-2023, OAISD was authorized to levy 1.2000 mills but only levied 0.9940 mills due to Headlee rollback.

ISDs are also required to provide special education programs for its constituent districts. In fiscal year 2022-2023, the OAISD was authorized to levy 4.3750 mills but only levied 4.1731 mills due to Headlee rollback.

In November of 2018, voters approved an enhancement millage, a special assessment to support the efforts of the local districts and charter schools to maintain programming offered. In 2022-2023, the OAISD was authorized to levy 0.9000 mills but only levied 0.8699 mills due to Headlee rollback. This equated to additional funding of approximately \$285 per student passed on to each local district and charter school within the OAISD boundaries.

Given that OAISD is significantly dependent on local property tax revenue from operating millage, the health of Ottawa County is very essential to monitor. Fortunately, Ottawa County is showing many positive economic indicators, suggesting that the growth in the area will continue. The county continues to see a strong real estate market with increasing home values. According to County of Ottawa, the taxable value on the Ad-Valorem Roll increased 7.3 percent in 2022. Also, Ottawa County's unemployment rate decreased slightly to 3.5 percent in June, 2023, which is slightly lower than the State of Michigan's rate of 3.6 percent.

Ottawa County continues to see significant increase in the number of jobs in both architecture and engineering, battery manufacturing and food preparation and serving, diversifying the job market from the traditional manufacturing sectors. Ottawa County has, and continues to be, a major producer of office furniture as well. With this diversification of job opportunities the local economy of Ottawa County should continue to be very strong.

Initiatives Undertaken by the District

The OAISD board has worked on several initiatives to enhance the quality of education and maximize the effectiveness of services to our districts. They are as follows:

The OAISD led initiative, Ottawa Area Schools **Doing More. Together. (DMT)** – is a collaborative effort between member faith-based, charter and traditional public schools in partnership with local businesses and agencies. In its seventh year, it continues to gain momentum through group presentations, a strong online presence, and other traditional forms of media usage and coverage.

The **Ottawa Area Secure Schools Network (OASSN)** is an initiative that brings together relevant parties in the Ottawa Area service region (Ottawa County and northern Allegan County) to work toward regional-based solutions to common safety and security issues facing K-12 educational institutions. The OASSN hosts two Summits each year to introduce key safety and security issues across the key preparedness mission areas of prevention, protection, response, mitigation, and recovery. The OASSN just launched seven cross-functional and cross-organizational Collaboration Teams to focus on the following areas: Physical & Mental Health, Facilities, Transportation, Planning & Training, Policy, Legal, & Legal, Internal & External Communications, and Information & Communication Technology. To date, all schools (local district, public school academies, and private schools), law enforcement agencies (including the FBI), fire & rescue agencies, EMS and hospital organizations, and a few other organizations participate in the Summits and are providing volunteers to the Collaboration Teams.

The **Careerline Tech Center Expansion Project** is a construction project being planned to increase the capacity of the tech center so that all students who desire to attend will be given the opportunity. Currently, there is a waiting list for students to enroll, and that list grows every year. Another component of this expansion includes developing new programs for future careers.

The **General Education Instructional Services Department** and the **Special Education Department** have worked to integrate the support and services offered within our programs and our local districts around Multi-Tiered System of Support (MTSS) framework.

Young Adult Services provided programming and services to 250 students ages 18-26. With 19 classrooms engaged within five communities, the students' access opportunities, ride public transportation, and contribute to the communities through employment, volunteering, and learning to be active members of the communities where they live. Most students participate in two work-based learning opportunities during the year some of which earn paid employment. Nearly 150 businesses partner to provide these opportunities, including Herman Miller, Gentex, Tiara Yachts, Hope College, Red Robin, John A. Van Den Bosch Co. and a wide variety of local businesses across the region.

The **Business Services Department** entered into its thirteenth year operating the **Shared Business Unit (SBU)** that provides financial services for local districts. At its start in the summer of 2010, the SBU provided services for a local district and public school academy. Currently, the SBU is serving five local school districts. Services are customized to meet the specific needs of each district and charter served.

The **Technology Services Department** entered into its eleventh year operating the **Ottawa Area IT Consortium (OAITC)** that provides a full range of technology services for local districts and public school academies. In 2022-23, OAITC served the OAISD, five local school districts, and one public school academy.

For more information on the key initiatives of the OAISD, we invite you to view our website at www.oaisd.org.

Awards/Recognition

College scholarships funded by gifts to the OAISD, as well as employee fundraising, were awarded to Careerline Tech Center students. 48 students received awards totaling \$333,100. Fields of study for these students are diesel mechanics, healthcare, culinary, engineering, natural sciences, and mechatronics/robotics. Also funded by gifts to OAISD are scholarships awarded to adult learners for course enrollment at Thompson M-TEC.

ASBO Certificate of Achievement: The Association of School Business Officials International (ASBO) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the OAISD for its Annual Financial Report for the fiscal year ended June 30, 2022. This is the *twenty-first consecutive year* that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a District must publish an easily readable and efficiently organized Annual Financial Report (ACFR), whose contents conform to program standards. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

Acknowledgment

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Business Services Department. We would like to express our gratitude to the members of the OAISD Board of Education for their interest and support in planning and conducting financial operations of the District in a responsible and progressive manner.

Sincerely,

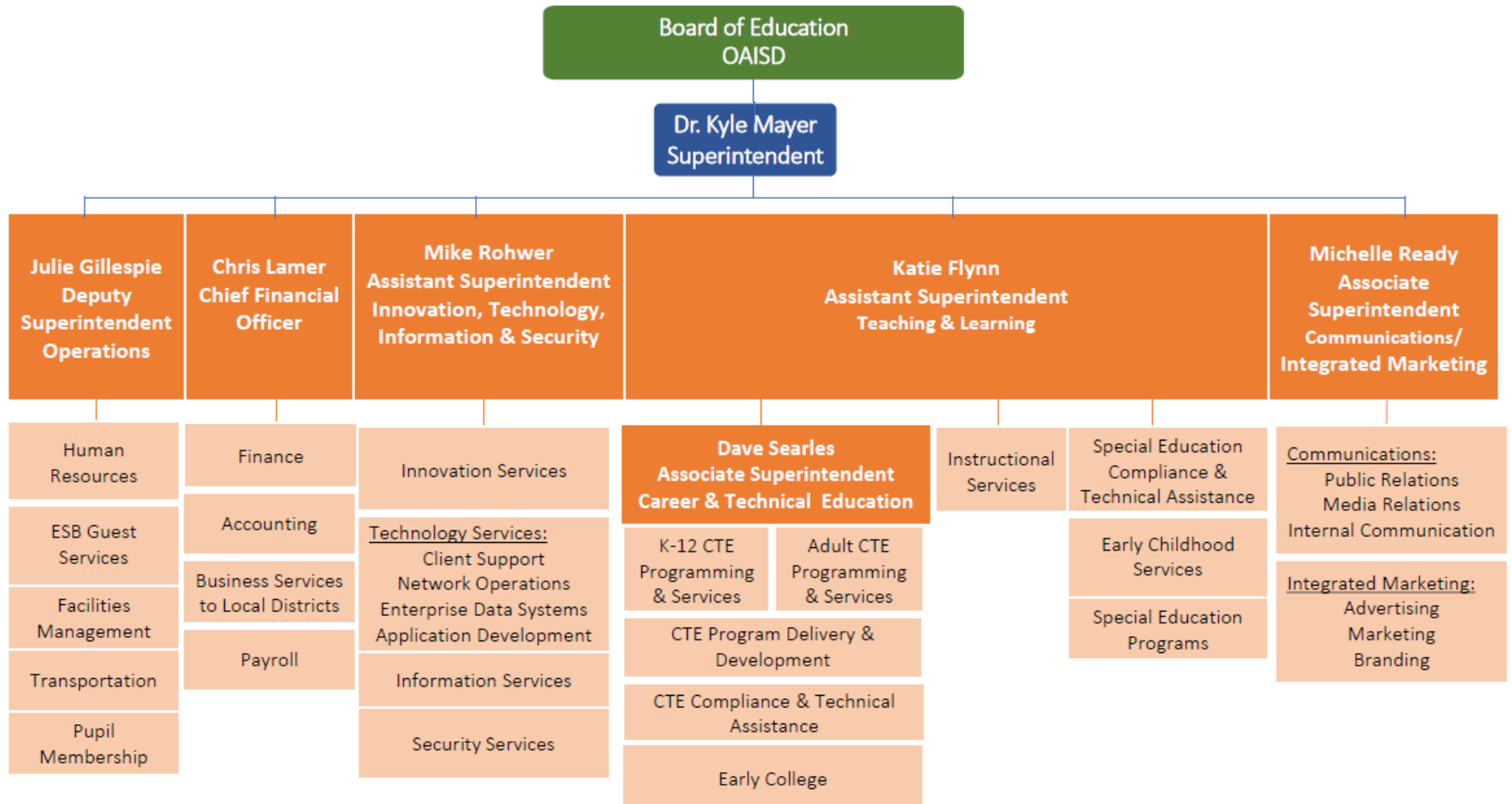
A handwritten signature in black ink, appearing to read "Chris Lamer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Chris Lamer

Chief Financial Officer



Organizational Chart
January 2023



**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2023**

BOARD OF EDUCATION

Carol Slagh	President
John Siemion	Vice-President
Randy Schipper	Secretary
Rick Dernberger	Treasurer
Robyn Afrik	Trustee

SUPERINTENDENT'S COUNCIL

Kyle Mayer	Superintendent
Katie Flynn	Assistant Superintendent for Teaching and Learning
Julie Gillespie	Deputy Superintendent for Operations
Chris Lamer	Chief Financial Officer
Michael Rohwer	Assistant Superintendent of Information, Technology, Innovation & Security
David Searles	Associate Superintendent of Career Technical Education
Michelle Ready	Associate Superintendent of Communications & Integrated Marketing



**The Certificate of Excellence in Financial Reporting
is presented to**

Ottawa Area Intermediate School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, appearing to read 'John W. Hutchison', written over a horizontal line.

**John W. Hutchison
President**

A handwritten signature in black ink, appearing to read 'Siobhán McMahon', written over a horizontal line.

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Ottawa Area Intermediate School District

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Ottawa Area Intermediate School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District as of June 30, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ottawa Area Intermediate School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Ottawa Area Intermediate School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Ottawa Area Intermediate School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ottawa Area Intermediate School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information - (Annual Comprehensive Financial Reporting)

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023 on our consideration of Ottawa Area Intermediate School District's 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 Ottawa Area Intermediate School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ottawa Area Intermediate School District's internal control over financial reporting and compliance.

Manes Costeiran PC

October 24, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Ottawa Area Intermediate School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by (\$22,901,070) (*net position*). Of this amount, \$(52,430,725) is (*unrestricted net position*).
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$54,922,539, a decrease of \$207,334 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,192,664, or 13.54% of total general fund expenditures.
- Investments for the future were made by the spending of approximately \$4,752,681 on school improvements, vehicles, and equipment.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the District's assets, deferred outflows, deferred inflows and liabilities, with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements display functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The activities of the District include instruction, supporting services, community services and transfers to locals.

The government-wide financial statements page numbers can be found in the table of contents.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District fall within the governmental fund type category.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental information presented for *governmental activities* in the government-wide financial statements. By doing fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general, special education special revenue fund, regional vocational education, special revenue fund, cooperative special revenue fund and capital projects fund, each of which is considered to be a major fund. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found in the table of contents.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements page numbers can be found in the table of contents.

Required Supplementary Information. The District adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets. The required supplementary information also contains the required pension and OPEB related information. The required supplementary information page numbers can be found in the table of contents.

Additional Supplementary Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining fund statement page numbers can be found in the table of contents.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by \$(22,901,070) at the close of the most recent fiscal year.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment), less any related debt used to acquire those assets that are still outstanding and the next largest portion reflects net position available for special education purposes. The District uses these capital assets to provide services to the students and local school districts it serves; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

District's Net Position

	Governmental Activities	
	2023	2022*
ASSETS		
Current and other assets	\$ 72,663,732	\$ 70,795,791
Capital assets, net	29,211,623	25,737,742
TOTAL ASSETS	101,875,355	96,533,533
DEFERRED OUTFLOWS	49,062,374	27,881,228
LIABILITIES		
Current liabilities	17,826,330	15,747,803
Long-term liabilities	766,230	736,965
Net pension liability	124,469,050	78,225,365
Net OPEB liability	6,956,498	5,041,293
TOTAL LIABILITIES	150,018,108	99,751,426
DEFERRED INFLOWS	23,820,691	50,119,879
NET POSITION		
Investment in capital assets	29,211,623	25,737,742
Restricted	318,032	308,787
Unrestricted	(52,430,725)	(51,503,073)
TOTAL NET POSITION	\$ (22,901,070)	\$ (25,456,544)

*The 2022 figures have not been updated for the adoption of GASB 96.

The remaining balance of *unrestricted net position* may be used to meet the District's ongoing obligations to its general programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

District's Changes in Net Position

	2023	2022*
REVENUES		
Program revenue		
Charges for services	\$ 5,981,340	\$ 6,527,892
Operating grants and contributions	62,220,166	54,635,627
General revenues		
Property taxes	97,605,976	92,114,046
State school aid	1,701,632	1,617,521
Other (loss)	1,859,300	(1,007,737)
	169,368,414	153,887,349
EXPENSES		
Instruction	21,765,665	19,630,171
Supporting services	56,358,430	48,405,274
Community services	540,256	520,564
Transfers to locals and other services	86,041,748	81,029,840
Student/school activities	258,092	173,416
Unallocated depreciation	1,848,749	1,532,884
	166,812,940	151,292,149
Change in net position	\$ 2,555,474	\$ 2,595,200
Net position, end of year	\$ (22,901,070)	\$ (25,456,544)

*The 2022 figures have not been updated for the adoption of GASB 96.

Governmental Activities. Net position increased by \$2,555,474. Key elements of this increase are as follows:

Revenue increased 10.1% in 2022-2023. The increases are primarily due to the following:

- Property tax revenue increased approximately 6.0%. This is consistent with the increase in taxable values.
- Increase in instructional and supporting services operational grants.
- Charges for services decreased \$546,552. This is primarily due to the sale of a property in the prior year.
- MPSERS one-time Sec 147c(2) funding. State payment toward the MPSERS unfunded liability.

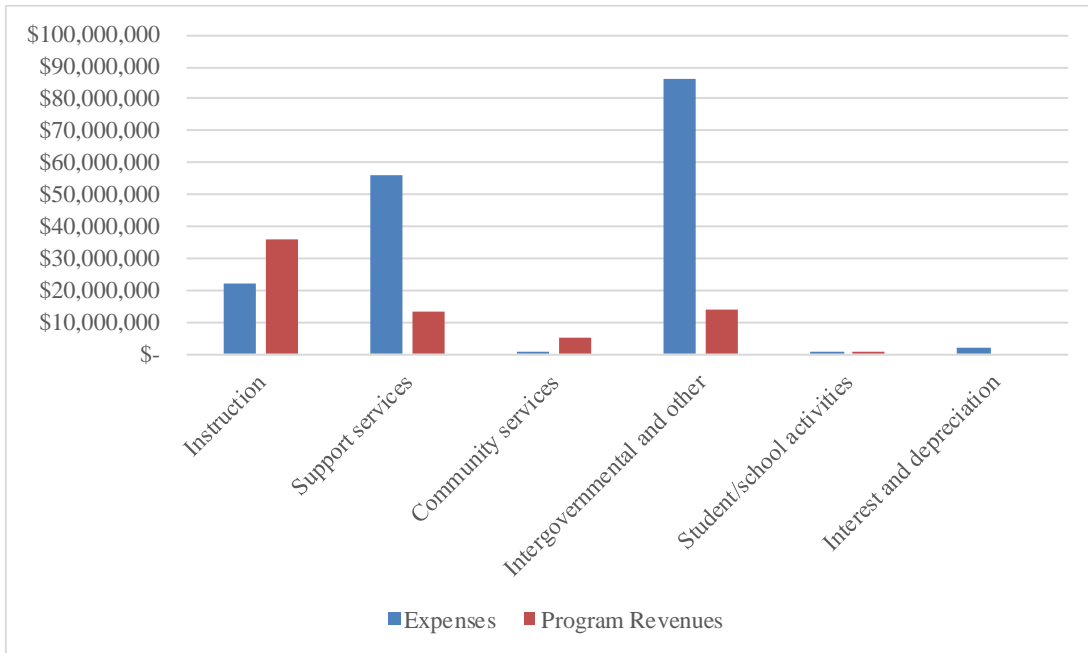
Expenses increased 10.3% in 2022-2023. The increases are primarily due to the following:

- Instructional expenses increased approximately \$2.1 million due to normal increases in salary and benefits and the MPSERS one-time passthrough expense.
- Supporting services increased approximately \$8.0 million, due to normal increased in salary and benefits, the MPSERS one-time passthrough expense and planned capital projects.

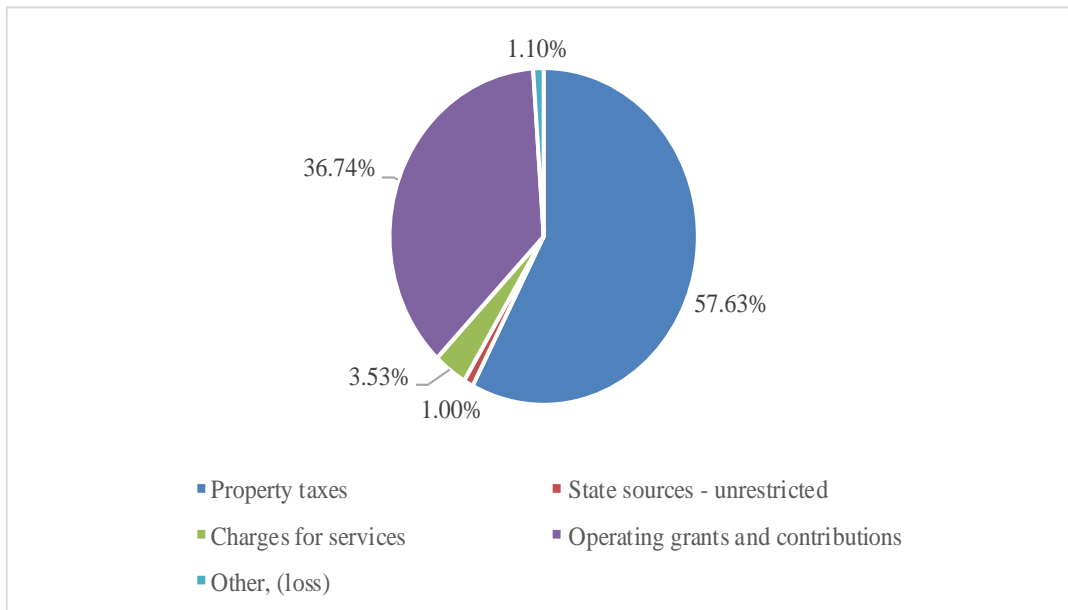
MANAGEMENT'S DISCUSSION AND ANALYSIS

- Transfers to locals and other services increased approximately \$5.0 million, due primarily to the formulas used for the payouts that are distributed to the local school districts.

Expenses and Program Revenue - Governmental Activities



Revenues by Source - District Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,192,664. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 13.54% of total general fund expenditures.

The fund balance of the District's general fund increased by \$6,838 during the current fiscal year. The largest revenue source in this fund is state revenues. Expenditures consist primarily of costs associated with supporting the District's and local district operations. The general fund operated at a balanced budget.

The special education special revenue fund has a total fund balance of \$27,404,942 which decreased by \$45,160 from the prior year. These resources are restricted for special education programs either administered directly by the District or by the local districts within the ISD's boundaries. The largest portion of this fund's revenue comes from property taxes, while the largest expenditure is transfers to local districts for the programs they operate. The special education fund operated at a balanced budget.

The regional vocational education fund has a total fund balance of \$10,146,874 which decreased by \$1,619,513 from the prior year. These resources are restricted for vocational education purposes. The vocational education fund recognized a decrease in fund balance due mainly to changes in capital projects.

Budgetary Highlights

Differences between the original and final amended budgets were caused by:

- Majority of the capital expenditures for the new Young Adult Services facility moved to FY 2024
- Additional capital projects for the CTC expansion project.
- Additional revenue as a result of grants and state aid adjustments.
- Employee compensation was updated to reflect staffing changes.

Differences between the final amended budgets and actual results were caused by:

- Additional Medicaid and State Aid revenue.
- Increase in interest income.
- Capital project expenditure changes due to CTC expansion plans.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental type activities as of June 30, 2023, amounted to \$29,211,623 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, and equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Major capital asset events during the current fiscal year included the following:

- Robotic welding cells for CTC and MTEC
- Metal roof replacement at the CTC
- New boilers at Sheldon Pines and OAC.
- Replaced Dectron unit for the OAC pool.
- Planning for future CTC expansion
- Construction on new Young Adult Services site.

District's Capital Assets (Net of Depreciation) June 30, 2023 and 2022

	2023	2022*
Land	\$ 2,823,825	\$ 2,823,825
Intangible assets - access rights	847,136	847,136
Construction in progress	4,012,214	820,818
Buildings and structures	16,572,701	16,820,468
Land improvements	2,083,109	1,652,637
Right to use - subscription based IT	251,570	-
Furniture and equipment	2,621,068	2,772,858
Total	\$ 29,211,623	\$ 25,737,742

*The 2022 figures have not been updated for the adoption of GASB 96.

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-term Obligations. At the end of the current fiscal year, the District had no outstanding bonded debt. On September 6, 2023, the District issued general obligations bonds in the amount of \$24,425,000.

The District's total long-term obligations increased by \$32,517.

Additional information on the District's long-term obligations can be found in note 6 to the financial statements.

Factors Bearing on the District's Future

- Expanded programming to meet the needs of the community.
- Unfunded pension obligations.
- Continued economic pressuring within the State and Region.
- 2006 Special Education millage expires and related renewal.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 13565 Port Sheldon Street, Holland, Michigan, 49424.

BASIC FINANCIAL STATEMENTS

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,727,241
Investments	50,320,221
Receivables	
Accounts receivable	2,265,054
Interest receivable	70,016
Intergovernmental	12,902,287
Inventories	667,672
Prepays	711,241
Capital assets not being depreciated	7,683,175
Capital assets, net of accumulated depreciation/amortization	21,528,448
TOTAL ASSETS	101,875,355
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension	39,005,961
Related to OPEB	10,056,413
TOTAL DEFERRED OUTFLOWS OF RESOURCES	49,062,374
LIABILITIES	
Accounts payable	1,491,389
Accrued salaries and related items	1,581,092
Accrued retirement	2,810,817
Intergovernmental payable	6,904,129
Unearned revenue	4,953,766
Noncurrent liabilities	
Due within one year	85,137
Due in more than one year	766,230
Net pension liability	124,469,050
Net OPEB liability	6,956,498
TOTAL LIABILITIES	150,018,108
DEFERRED INFLOWS OF RESOURCES	
Related to pension	344,417
Related to OPEB	14,469,701
Related to state aid funding for pension	9,006,573
TOTAL DEFERRED INFLOWS OF RESOURCES	23,820,691
NET POSITION	
Investment in capital assets	29,211,623
Restricted nonexpendable endowment corpus	250,000
Restricted expendable endowment earnings	68,032
Unrestricted	(52,430,725)
TOTAL NET POSITION	\$ (22,901,070)

The notes to the basic financial statements are an integral part of this statement.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 21,765,665	\$ 171,119	\$ 35,991,113	\$ 14,396,567
Supporting services	56,358,430	1,018,286	12,135,966	(43,204,178)
Community services	540,256	4,791,935	26,763	4,278,442
Intergovernmental expenses and other	86,041,748	-	13,915,011	(72,126,737)
Student/school activities	258,092	-	151,313	(106,779)
Unallocated depreciation*	1,848,749	-	-	(1,848,749)
Total governmental activities	<u>\$ 166,812,940</u>	<u>\$ 5,981,340</u>	<u>\$ 62,220,166</u>	<u>(98,611,434)</u>
General revenues				
Property taxes, levied for general purposes				1,864,782
Property taxes, levied for special education				66,166,767
Property taxes, levied for vocational education				15,760,656
Property taxes, levied for enhancement fund				13,813,771
Investment earnings				1,753,872
State sources - unrestricted				1,701,632
Other				<u>105,428</u>
Total general revenues				<u>101,166,908</u>
CHANGE IN NET POSITION				2,555,474
NET POSITION, beginning of year				<u>(25,456,544)</u>
NET POSITION, end of year				<u>\$ (22,901,070)</u>

* Unallocated depreciation includes 100% of depreciation expense. No depreciation is allocated to various activities.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue				Capital Projects	Total Nonmajor Funds	Total Governmental Funds
	General Fund	Special Education Fund	Vocational Education Fund	Cooperative Fund			
ASSETS							
Cash and cash equivalents	\$ 2,337,360	\$ 492,409	\$ 6,612	\$ 954,973	\$ 1,697,219	\$ 238,668	\$ 5,727,241
Investments	6,060,613	24,425,291	9,794,109	-	9,722,545	317,663	50,320,221
Receivables							
Accounts receivable	332,625	22,473	253,253	1,647,201	-	9,502	2,265,054
Interest	14,865	32,330	18,981	-	3,840	-	70,016
Intergovernmental	1,668,459	10,314,931	546,781	372,116	-	-	12,902,287
Inventories	64	-	667,608	-	-	-	667,672
Prepays	113,705	284,652	162,407	150,477	-	-	711,241
	<u>\$ 10,527,691</u>	<u>\$ 35,572,086</u>	<u>\$ 11,449,751</u>	<u>\$ 3,124,767</u>	<u>\$ 11,423,604</u>	<u>\$ 565,833</u>	<u>\$ 72,663,732</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 480,841	\$ 262,733	\$ 161,268	\$ 184,852	\$ 388,767	\$ 12,928	\$ 1,491,389
Accrued salaries and related items	91,198	783,270	653,147	53,477	-	-	1,581,092
Accrued retirement	409,395	1,690,600	467,236	243,586	-	-	2,810,817
Intergovernmental payable	1,636,355	5,244,457	21,226	2,091	-	-	6,904,129
Unearned revenue	3,275,242	186,084	-	1,492,440	-	-	4,953,766
	<u>5,893,031</u>	<u>8,167,144</u>	<u>1,302,877</u>	<u>1,976,446</u>	<u>388,767</u>	<u>12,928</u>	<u>17,741,193</u>
FUND BALANCES							
Nonspendable							
Inventories	64	-	-	-	-	-	64
Prepays	113,705	284,652	162,407	150,477	-	-	711,241
Endowment corpus	-	-	-	-	-	250,000	250,000

The notes to the basic financial statements are an integral part of this statement.

	<u>Special Revenue</u>					Total Nonmajor Funds	Total Governmental Funds
	<u>General Fund</u>	<u>Special Education Fund</u>	<u>Vocational Education Fund</u>	<u>Cooperative Fund</u>	<u>Capital Projects</u>		
FUND BALANCES (continued)							
Restricted							
Endowment earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,032	\$ 68,032
Special education	-	27,120,290	-	-	-	-	27,120,290
Vocational education	-	-	9,984,467	-	-	-	9,984,467
Cooperative services	-	-	-	997,844	-	-	997,844
Committed for student/school activities	-	-	-	-	-	234,873	234,873
Assigned							
Compensated absences	851,367	-	-	-	-	-	851,367
Subsequent year expenditures	476,860	-	-	-	-	-	476,860
Capital projects	-	-	-	-	11,034,837	-	11,034,837
Unassigned	3,192,664	-	-	-	-	-	3,192,664
TOTAL FUND BALANCES	<u>4,634,660</u>	<u>27,404,942</u>	<u>10,146,874</u>	<u>1,148,321</u>	<u>11,034,837</u>	<u>552,905</u>	<u>54,922,539</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,527,691</u>	<u>\$ 35,572,086</u>	<u>\$ 11,449,751</u>	<u>\$ 3,124,767</u>	<u>\$ 11,423,604</u>	<u>\$ 565,833</u>	<u>\$ 72,663,732</u>
Total governmental fund balances							\$ 54,922,539
Amounts reported for governmental activities in the statement of net position are different because:							
Deferred outflow of resources - related to pension							39,005,961
Deferred outflow of resources - related to OPEB							10,056,413
Deferred inflow of resources - related to pension							(344,417)
Deferred inflow of resources - related to OPEB							(14,469,701)
Deferred inflow of resources - related to state pension funding							(9,006,573)
Capital assets used in governmental activities are not financial resources and are not reported in the funds:							
The cost of the capital assets not being depreciated is						\$ 7,683,175	
The cost of the capital assets being depreciated is						41,692,878	
Accumulated depreciation is						<u>(20,164,430)</u>	
							29,211,623
Long-term liabilities are not due and payable in the current period and are not reported in the funds:							
Compensated absences							(851,367)
Net pension liability							(124,469,050)
Net OPEB liability							<u>(6,956,498)</u>
Net position of governmental activities							<u>\$ (22,901,070)</u>

The notes to the basic financial statements are an integral part of this statement.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Special Revenue					Total Nonmajor Funds	Total Governmental Funds
	General Fund	Special Education Fund	Vocational Education Fund	Cooperative Fund	Capital Projects		
REVENUES							
Local sources							
Property taxes	\$ 1,864,782	\$ 66,166,767	\$ 15,760,656	\$ -	\$ -	\$ 13,813,771	\$ 97,605,976
Tuition	-	-	652,623	-	-	-	652,623
Investment earnings (loss)	148,060	1,244,037	329,806	-	22,724	9,245	1,753,872
Student/school activities	-	-	-	-	-	151,313	151,313
Other	645,226	3,659,197	294,512	835,210	-	-	5,434,145
Total local sources	2,658,068	71,070,001	17,037,597	835,210	22,724	13,974,329	105,597,929
State sources	13,651,329	21,272,287	4,637,753	2,126,565	-	-	41,687,934
Federal sources	2,900,946	14,114,551	421,017	-	-	-	17,436,514
Intergovernmental revenues	2,006,170	17,365	41,230	6,331,859	-	-	8,396,624
TOTAL REVENUES	21,216,513	106,474,204	22,137,597	9,293,634	22,724	13,974,329	173,119,001
EXPENDITURES							
Current							
Instruction	38,995	12,893,604	9,720,908	-	-	-	22,653,507
Supporting services	14,751,422	24,210,588	7,768,774	12,349,267	-	258,092	59,338,143
Community service activities	349,435	11,088	-	179,733	-	-	540,256
Interdistrict transactions	-	-	-	-	-	13,719,255	13,719,255
Capital outlay	-	-	-	-	4,752,681	-	4,752,681
Intergovernmental expenditures	8,443,927	63,801,495	77,071	-	-	-	72,322,493
TOTAL EXPENDITURES	23,583,779	100,916,775	17,566,753	12,529,000	4,752,681	13,977,347	173,326,335

The notes to the basic financial statements are an integral part of this statement.

	Special Revenue					Total Nonmajor Funds	Total Governmental Funds
	General Fund	Special Education Fund	Vocational Education Fund	Cooperative Fund	Capital Projects		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (2,367,266)	\$ 5,557,429	\$ 4,570,844	\$ (3,235,366)	\$ (4,729,957)	\$ (3,018)	\$ (207,334)
OTHER FINANCING SOURCES (USES)							
Transfers in	6,295,596	94,516	-	3,339,689	6,250,620	-	15,980,421
Transfers out	(3,921,492)	(5,697,105)	(6,190,357)	(76,951)	-	(94,516)	(15,980,421)
TOTAL OTHER FINANCINGS SOURCES (USES)	2,374,104	(5,602,589)	(6,190,357)	3,262,738	6,250,620	(94,516)	-
NET CHANGE IN FUND BALANCES	6,838	(45,160)	(1,619,513)	27,372	1,520,663	(97,534)	(207,334)
FUND BALANCES							
Beginning of year	4,627,822	27,450,102	11,766,387	1,120,949	9,514,174	650,439	55,129,873
End of year	\$ 4,634,660	\$ 27,404,942	\$ 10,146,874	\$ 1,148,321	\$ 11,034,837	\$ 552,905	\$ 54,922,539

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances Total Governmental Funds \$ (207,334)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation/amortization:

Depreciation/amortization expense	(1,848,749)
Capital outlay	5,322,630

Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:

Accrued compensated absences, beginning of the year	818,850
Accrued compensated absences, end of the year	(851,367)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Pension related items	(1,731,577)
OPEB related items	4,803,608

Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period:

State aid funding for pension, beginning of year	5,255,986
State aid funding for pension, end of year	<u>(9,006,573)</u>

Change in Net Position of Governmental Activities **\$ 2,555,474**

NOTES TO THE BASIC FINANCIAL STATEMENTS

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Ottawa Area Intermediate School District Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds.

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

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following *Major Governmental Funds*:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Special Education Fund* accounts for revenue sources that are legally restricted to expenditures for special education.

The *Vocational Education Fund* accounts for revenue sources that are legally restricted to expenditures for career services and technical education.

The *Capital Projects Fund* accounts for the accumulation of resources and construction/purchase of construction/capital assets.

The *Cooperative Fund* accounts for revenue sources that result from shared services with local educational agencies.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

Other Nonmajor Funds

The *Special Revenue - Enhancement Fund* accounts for revenue sources that result from local tax collections and disbursed to local education agencies.

The *Special Revenue - Student/School Activities* fund accounts for revenue sources and disbursements that result from student and school activity accounts.

The *Permanent Fund* is accounted for using the accrual method of accounting. It is used to account for monies held in a perpetual trust, the earnings of which may be used for specified educational purposes. At June 30, 2023, there was \$68,032 available for expenditure. Expenditure of interest income is governed by a three-member committee which is appointed by the Board of Education.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are generally 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, state and federal aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the current year ended, the foundation allowance was based on pupil membership counts.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by Non-PRE property taxes which may be levied at a rate of up to 18 mills as well as 6 mills for Commercial Personal Property Tax. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as an intergovernmental receivable.

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are generally considered to be measurable and available only when cash is received by the District.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. The capital projects fund is appropriated on a project-length basis. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund and major special revenue funds are noted in the required supplementary information section.
- d. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
- e. The budget was amended during the year with supplemental appropriations, the last one approved prior to year-end June 30, 2023. The District does not consider these amendments to be significant.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Investments

In accordance with Michigan Compiled Laws, the District is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

Inventories and Prepaids

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Inventories of the vocational education fund are comprised principally of land held for resale and a house held for resale. As a result, these amounts are not considered nonspendable fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and transportation vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 2 years. Group purchases are evaluated on a case-by-case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

Land and construction in progress are not depreciated. Right to use assets of the District are amortized using the straight-line method over the shorter of the subscription period or the estimated useful lives. The other property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Land improvements	5 - 20 Years
Right to use - subscription-based IT	5 Years
Buildings and structures	45 Years
Furniture and other equipment	5 - 20 Years

Defined Benefit Plan

For purposes of measuring the net pension and other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to pension and other postemployment benefit, and pension and other postemployment benefit expense, information about the fiduciary net position of the Michigan Public Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. 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 Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. They are the pension and other postemployment benefit related items reported in the government-wide statement of net position. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expensed in the plan year in which they apply.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period. The second and third items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (concluded)

Fund Balance Policies

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

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Subscription-based IT Arrangements (SBITA)

Subscriber: The District is a subscriber for a noncancelable subscription of an IT arrangement. The District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements.

At the commencement of a subscription, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to SBITA's included how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITA.
- The SBITA term includes the noncancelable period of the lease/subscription. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term obligations on the statement of net position.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due date is February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

Property taxes receivable are recorded net of allowances for uncollectible taxes.

For the year ended June 30, 2023, the District levied the following amounts per \$1,000 of assessed valuation:

Fund	Mills
General fund	0.1176
Special revenue funds	
Special education fund	4.1731
Vocational education fund	0.9940
Enhancement fund	0.8699

Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation pay benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. The five major funds are utilized to liquidate long-term liabilities other than debt. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method over the term of the related debt. Bond issuance costs are reported as expenses in the year in which they are incurred.

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2023, the District had deposits and investments subject to the following risk:

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. As of June 30, 2023, \$6,289,162 of the District's bank balance of \$6,546,266 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying amount is \$5,727,241.

Concentration of Credit Risk - Investments

The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business.

Interest Rate Risk

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
MILAF External Investment Pool - MAX	\$ 699,986	N/A
MILAF External Investment Pool - CMC	3,069,384	N/A
Invesco Premier U.S. Government Money Portfolio	317,663	0.0603
Invesco Government & Agency Portfolio	8,776,431	0.0603
US Treasury Bonds/Notes	22,738,468	1.2220
Supra-National Agency Bonds/Notes	3,392,906	0.9977
Federal Agency Mortgage - Backed Security	1,794,809	7.8205
Federal Agency Commercial Mortgage-Backed Securities	3,291,076	1.9431
Federal Agency Collateralized Mortgage Obligation	799,764	7.8690
Federal Agency Bonds/Notes	5,439,734	0.5093
Total fair value	<u>\$ 50,320,221</u>	
Portfolio weighted average maturity		<u>1.2165</u>

One day maturity equals 0.0027, one year equals 1.00.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS

Concentration of Credit Risk

The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Investment Type	Fair Value	Rating	Rating Agency
MILAF External Investment Pool - MAX	\$ 699,986	AAAm	Standard & Poor's
MILAF External Investment Pool - CMC	3,069,384	AAAm	Standard & Poor's
Invesco Premier U.S. Government Money Portfolio	317,663	AAAm	Standard & Poor's
Invesco Government & Agency Portfolio	8,776,431	AAAm	Standard & Poor's
US Treasury Bonds/Notes	22,738,468	AA+	Standard & Poor's
Supra-National Agency Bonds/Notes	3,392,906	AAA	Standard & Poor's
Federal Agency Mortgage - Backed Security	1,794,809	AA+	Standard & Poor's
Federal Agency Commercial Mortgage-Backed Securities	3,291,076	AA+	Standard & Poor's
Federal Agency Collateralized Mortgage Obligation	799,764	AA+	Standard & Poor's
Federal Agency Bonds/Notes	5,439,734	AA+	Standard & Poor's
Total	<u>\$ 50,320,221</u>		

Foreign Currency Risk

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

Fair Value Measurement

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

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (concluded)

Fair Value Measurement (concluded)

	Level 1	Level 2	Level 3	Balance at June 30, 2023
Investments by fair value level				
US Treasury Bonds/Notes	\$ 22,738,468	\$ -	\$ -	\$ 22,738,468
Invesco Premier U.S. Government Money Portfolio	-	317,663	-	317,663
Invesco Government & Agency Portfolio	-	8,776,431	-	8,776,431
Supra-National Agency Bonds/Notes	-	3,392,906	-	3,392,906
Federal Agency Mortgage - Backed Security	-	1,794,809	-	1,794,809
Federal Agency Commercial Mortgage-Backed Securities	-	3,291,076	-	3,291,076
Federal Agency Collateralized Mortgage Obligation	-	799,764	-	799,764
Federal Agency Bonds/Notes	-	5,439,734	-	5,439,734
Total	\$ 22,738,468	\$ 23,812,383	\$ -	\$ 46,550,851

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District voluntarily invests certain excess funds in external pooled investment funds which included money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF funds are considered external investment pools as defined by the GASB and as such are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures.

	<u>Amortized Cost</u>
MILAF External Investment Pool - MAX	\$ 699,986
MILAF External Investment Pool - CMC	<u>3,069,384</u>
	<u>\$ 3,769,370</u>

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1.

The following summarizes the categorization of these amounts as of June 30, 2023:

	<u>Primary Government</u>
Cash and cash equivalents	\$ 5,727,241
Investments	<u>50,320,221</u>
	<u>\$ 56,047,462</u>

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 3 - INTERGOVERNMENTAL RECEIVABLES

At June 30, 2023, intergovernmental receivables consist of the following:

	Government- wide
State aid	\$ 5,341,192
Federal revenue	7,524,518
Local/intermediate sources/other	36,577
	\$ 12,902,287

Because of the District's favorable collection experience, no allowance for doubtful accounts has been recorded.

NOTE 4 - CAPITAL ASSETS

A summary of changes in the District's capital assets follows:

	Balance July 1, 2022	Additions/ Reclassification	Deletions/ Reclassification	Balance June 30, 2023
Capital assets not being depreciated				
Land	\$ 2,823,825	\$ -	\$ -	\$ 2,823,825
Intangible assets - access rights	847,136	-	-	847,136
Construction in progress	820,818	4,470,013	1,278,617	4,012,214
Total capital assets not being depreciated	4,491,779	4,470,013	1,278,617	7,683,175
Capital assets being depreciated/amortized				
Land improvements	2,564,061	577,297	-	3,141,358
Buildings and structures	28,577,745	737,619	-	29,315,364
Right to use - subscription-based IT	-	314,463	-	314,463
Furniture and equipment	8,439,928	501,855	20,090	8,921,693
Total capital assets being depreciated/amortized	39,581,734	2,131,234	20,090	41,692,878
Less accumulated depreciation/amortization				
Land improvements	911,424	146,825	-	1,058,249
Buildings and structures	11,757,277	985,386	-	12,742,663
Right to use - subscription-based IT	-	62,893	-	62,893
Furniture and equipment	5,667,070	653,645	20,090	6,300,625
Total accumulated depreciation/amortization	18,335,771	1,848,749	20,090	20,164,430
Total capital assets being depreciated/amortized, net	21,245,963	282,485	-	21,528,448
Governmental capital assets, net	\$ 25,737,742	\$ 4,752,498	\$ 1,278,617	\$ 29,211,623

Depreciation/amortization for the fiscal year ended June 30, 2023 amounted to \$1,848,749. The District determined that it was impractical to allocate depreciation/amortization to the various governmental activities as the assets serve multiple functions.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 5 - INTERGOVERNMENTAL PAYABLES

Intergovernmental payables as of June 30, 2023 consisted of the following:

Homeless	\$	6,273
GSRP		1,508,893
IDEA Preschool		128,564
IDEA Flowthrough		5,090,993
Title III		12,603
Title I RAG		73,407
Contracted services		25,939
Other		57,457
		57,457
	\$	6,904,129

NOTE 6 - LONG-TERM OBLIGATIONS

The District issues general and limited obligation bonds to provide funds for the acquisition, construction, and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The following is a summary of the changes in long-term obligations of the District for the year ended June 30, 2023.

	Compensated Absences
Balance, July 1, 2022	\$ 818,850
Additions	1,229,367
Deletions	(1,196,850)
Balance, June 30, 2023	851,367
Due within one year	85,137
Due in more than one year	\$ 766,230

The District's general fund, special education fund and vocation education fund are used to liquidate long-term obligations.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 7 - INTER-FUND TRANSFERS AND RECEIVABLES AND PAYABLES

The composition of interfund transfers is as follows:

Transfers Out	Transfers In				Total
	General Fund	Special Education	Capital projects	Cooperative Fund	
General fund	\$ -	\$ -	\$ 845,751	\$ 3,075,741	\$ 3,921,492
Special education	2,927,108	-	2,506,049	263,948	5,697,105
Vocational education	3,291,537	-	2,898,820	-	6,190,357
Cooperative fund	76,951	-	-	-	76,951
Nonmajor governmental funds	-	94,516	-	-	94,516
Totals	\$ 6,295,596	\$ 94,516	\$ 6,250,620	\$ 3,339,689	\$ 15,980,421

Transfers provided funding for capital projects, and operations and maintenance services.

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the Board's authority to promulgate or amend the provisions of the System. MPERS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.michigan.gov/orsschools.

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 option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act.

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 of Michigan Investment Board serves as the investment fiduciary and custodian for the System.

Benefits Provided - Overall

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

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided - Pension

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. Retirement benefits for DB plan members are determined by final average compensation and years of service. 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.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

Pension Reform 2010

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

Pension Reform 2012

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

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

An amount determined by the member's election of Option 1, 2, 3, or 4 described below:

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

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (concluded)

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

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

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

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

Employees who first work on or after September 4, 2012 choose between two retirement plans: The Pension Plus Plan and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) - Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected Option 4, in which case the FAC is calculated at the transition date.

Pension Reform of 2017

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided - Other Postemployment Benefit (OPEB)

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 health care recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members), the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members), have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

Eligibility - A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through 60th birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

Annual Amount - The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

Member Contributions

Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other postemployment benefits. Plan members electing the Defined Contribution plan are not required to make additional contributions.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of pension benefits and OPEB. 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 normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

Pension and OPEB contributions made in the fiscal year ending September 30, 2022, were determined as of the September 30, 2019 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2019, are amortized over a 17-year period beginning October 1, 2021 and ending September 30, 2038.

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

	Pension	Other Postemployment Benefit
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%
October 1, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%

The District's pension contributions for the year ended June 30, 2023 were equal to the required contribution total. Total pension contributions were approximately \$15,634,000. Of the total pension contributions approximately \$15,174,000 was contributed to fund the Defined Benefit Plan and approximately \$460,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2023 were equal to the required contribution total. Total OPEB contributions were approximately \$3,015,000. Of the total OPEB contributions approximately \$2,733,000 was contributed to fund the Defined Benefit Plan and approximately \$282,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefit, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

Pension Liabilities

The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

<u>MPERS (Plan) Non-university Employers</u>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Total pension liability	\$ 95,876,795,620	\$ 86,392,473,395
Plan fiduciary net position	\$ 58,268,076,344	\$ 62,717,060,920
Net pension liability	\$ 37,608,719,276	\$ 23,675,412,475
Proportionate share	0.33096%	0.33041%
Net pension liability for the District	\$ 124,469,050	\$ 78,225,365

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

For the year ended June 30, 2023, the District recognized pension expense of \$16,905,548.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 21,388,243	\$ -
Net difference between projected and actual plan investment earnings	291,880	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,078,867	66,117
Differences between expected and actual experience	1,245,125	278,300
Reporting Unit's contributions subsequent to the measurement date	<u>14,001,846</u>	<u>-</u>
	<u>\$ 39,005,961</u>	<u>\$ 344,417</u>

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (concluded)

\$14,001,846, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ 7,868,624
2024	5,380,362
2025	4,247,916
2026	7,162,796

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

OPEB Liabilities

The net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

<u>MPSERS (Plan) Non-university Employers</u>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Total OPEB liability	\$ 12,522,713,324	\$ 12,046,393,511
Plan fiduciary net position	\$ 10,404,650,683	\$ 10,520,015,621
Net OPEB liability	\$ 2,118,062,641	\$ 1,526,377,890
Proportionate share	0.32844%	0.33028%
Net OPEB liability for the District	\$ 6,956,498	\$ 5,041,293

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

For the year ended June 30, 2023, the District recognized OPEB benefit of \$2,070,907.

At June 30, 2023, the Reporting Unit 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
Changes of assumptions	\$ 6,200,550	\$ 504,884
Net difference between projected and actual plan investment earnings	543,705	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,063,939	339,702
Differences between expected and actual experience	-	13,625,115
Reporting Unit's contributions subsequent to the measurement date	2,248,219	-
	\$ 10,056,413	\$ 14,469,701

\$2,248,219, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

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

Year Ending September 30,	Amount
2023	\$ (2,104,336)
2024	(2,113,075)
2025	(2,032,339)
2026	(254,837)
2027	(154,073)
2028	(2,847)

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions

Investment Rate of Return for Pension - 6.00% a year, compounded annually net of investment and administrative expenses for the MIP, Basic, Pension Plus, and Pension Plus 2 Plan groups.

Investment Rate of Return for OPEB - 6.00% a year, compounded annually net of investment and administrative expenses.

Salary Increases - The rate of pay increase used for individual members is 2.75% - 11.55%, including wage inflation at 2.75%.

Inflation - 3.0%.

Mortality Assumptions -

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.

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

Experience Study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2021. Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2018 valuation.

The Long-Term Expected Rate of Return on Pension and Other Postemployment Benefit Plan Investments - The pension rate was 6.00% (MIP, Basic, Pension Plus Plan, and Pension Plus 2 Plan), and the other postemployment benefit rate was 6.00%, net of investment and administrative expenses was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and 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.

Cost of Living Pension Adjustments - 3.0% annual non-compounded for MIP members.

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.75% for year one and graded to 3.5% in year fifteen. Post 65, 5.25% for year one and graded to 3.5% in year fifteen.

Additional Assumptions for Other Postemployment Benefit Only - Applies to Individuals Hired Before September 4, 2012:

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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Survivor Coverage - 80% of male retirees and 67% of female retirees are assumed to have coverage 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.

The target asset allocation at September 30, 2022 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Domestic Equity Pools	25.0%	5.1%
Private Equity Pools	16.0%	8.7%
International Equity Pools	15.0%	6.7%
Fixed Income Pools	13.0%	-0.2%
Real Estate and Infrastructure Pools	10.0%	5.3%
Absolute Return Pools	9.0%	2.7%
Real Return / Opportunistic Pools	10.0%	5.8%
Short Term Investment Pools	2.0%	-0.5%
	<u>100.0%</u>	

* Long term rate of return are net of administrative expense and 2.2% inflation.

Rate of Return - For fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was (4.18)% and (4.99)% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Discount Rate - A single discount rate of 6.00% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 6.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from school districts will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those 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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (concluded)

OPEB Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that school districts 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 Net Pension Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net pension liability calculated using a single discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	\$ 164,252,905	\$ 124,469,050	\$ 91,685,361

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net OPEB liability calculated using a single discount rate of 6.00%, as well as what the Reporting Unit'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 than the current rate:

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability	\$ 11,668,857	\$ 6,956,498	\$ 2,988,108

Sensitivity to the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability calculated using the healthcare cost trend rate, as well as what the Reporting Unit's proportionate share of the net other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefits		
	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability	\$ 2,913,049	\$ 6,956,498	\$ 11,495,351

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (concluded)

Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2022 Annual Comprehensive Financial Report.

Payable to the Pension and OPEB Plan - At year end the School District is current on all required pension and other postemployment benefit plan payments. Amounts accrued at year end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District participates in a distinct pool of educational institutions within the State of Michigan for self-insuring workers' disability compensation and property and casualty. The pool is considered a public entity risk pool. The District pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims in excess of \$500,000 for each occurrence with the overall maximum coverage being unlimited. The District has not been informed of any special assessments being required.

In addition, the District is also a member of the West Michigan Health Insurance Pool (WMHIP) for medical insurance. Approximately 8,500 lives from all districts are covered under this pool. The pool is classified as a MEWA. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premium for said year, all members of the specific pool's policy year may be subject to special assessment for each occurrence with the overall maximum coverage being unlimited. The pool maintains reinsurance for claims in excess of \$125,000 per person per plan year.

The District continues to carry commercial insurance for other needs including health insurance for other employee groups.

No settlements have occurred in excess of coverage for June 30, 2023 or any of the prior three years.

The District also has a self-insured dental and vision plan for the benefit of certain employees. Claims are handled by an administrative service organization, which is reimbursed on a regular basis by the District. No estimate of claims incurred but not reported under the plan is available, but District management expects the amount, if any, to be immaterial to the basic financial statements as of June 30, 2023. There were no significant reductions in insurance coverage during the year.

NOTE 10 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustments 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 expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 - TAX ABATEMENTS

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions, Brownfield Redevelopment Agreements, and Payments in Lieu of Taxes (PILOT) granted by cities, villages and townships. 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; PILOT programs apply to multiple unit housing for citizens of low income and the elderly. The property taxes abated for all funds by municipality under these programs are as follows:

<u>Municipality</u>	<u>Taxes Abated</u>
Allendale Charter Township	\$ 10,471
Blendon Township	1,941
Chester Township	23
City of Coopersville	136,578
Crockery Township	727
Georgetown Township	12,768
City of Grand Haven	131,104
Grand Haven Township	5,651
Heath Township	148
Holland Charter Township	210,585
City of Holland	402,249
City of Hudsonville	16,450
Jamestown Township	66,348
Laketown Township	11,472
Mainlius Township	156
Monterey Township	44
Norton Shores	22,017
Olive Township	9,603
Park Township	2,673
Robinson Township	517
City of Saugatuck	554
Saugatuck Township	31
Spring Lake Township	24,795
Wright Township	6,255
City of Zeeland	107,722
Zeeland Township	117,257
	<u>\$ 1,298,139</u>

There are no abatements made by the District.

NOTE 12 - COMMITMENTS

The District has active capital projects outstanding at June 30, 2023. \$11,034,837 is assigned and recorded as fund balance in the capital projects fund.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

NOTE 14 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2023, the District implemented the following new pronouncement: GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

Summary:

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements* was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

NOTE 15 - SUBSEQUENT EVENTS

On September 6, 2023, the District issued general obligations bonds in the amount of \$24,425,000.

REQUIRED SUPPLEMENTARY INFORMATION

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	GAAP Basis		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Local sources	\$ 2,297,557	\$ 2,680,498	\$ 2,658,068	\$ (22,430)
State sources	10,762,981	13,418,679	13,651,329	232,650
Federal sources	975,637	3,024,588	2,900,946	(123,642)
Intergovernmental revenues	2,041,791	2,374,620	2,006,170	(368,450)
TOTAL REVENUES	16,077,966	21,498,385	21,216,513	(281,872)
EXPENDITURES				
Current				
Instruction				
Basic instruction	-	25,457	25,000	457
Added needs	8,530	15,369	13,995	1,374
Total instruction	8,530	40,826	38,995	1,831
Supporting services				
Pupil	463,244	863,111	933,880	(70,769)
Instructional staff	6,838,225	8,205,447	7,758,888	446,559
General administration	703,350	821,823	816,324	5,499
School administration	23,283	25,584	1,582	24,002
Business services	1,365,570	1,488,462	1,497,493	(9,031)
Operation and maintenance	778,228	900,302	883,281	17,021
Pupil transportation	1,100	12,058	10,949	1,109
Central services	2,416,992	3,208,559	2,849,025	359,534
Total supporting services	12,589,992	15,525,346	14,751,422	773,924
Community services	324,690	380,075	349,435	30,640
Intergovernmental and other expenditures	6,188,693	8,069,643	8,443,927	(374,284)
Debt service				
Principal repayment	-	314,462	-	314,462
TOTAL EXPENDITURES	19,111,905	24,330,352	23,583,779	746,573
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,033,939)	(2,831,967)	(2,367,266)	464,701
OTHER FINANCING SOURCES (USES)				
Transfers in	5,638,736	6,462,191	6,295,596	(166,595)
Transfers out	(3,049,817)	(3,933,412)	(3,921,492)	11,920
TOTAL OTHER FINANCING SOURCES (USES)	2,588,919	2,528,779	2,374,104	(154,675)
NET CHANGE IN FUND BALANCE	\$ (445,020)	\$ (303,188)	6,838	\$ 310,026
FUND BALANCE				
Beginning of year			4,627,822	
End of year			\$ 4,634,660	

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SPECIAL EDUCATION FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	GAAP Basis		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Local sources	\$ 68,600,685	\$ 71,963,892	\$ 71,070,001	\$ (893,891)
State sources	17,564,169	21,350,310	21,272,287	(78,023)
Federal sources	13,505,577	14,189,385	14,114,551	(74,834)
Intergovernmental revenues	1,100	21,627	17,365	(4,262)
TOTAL REVENUES	99,671,531	107,525,214	106,474,204	(1,051,010)
EXPENDITURES				
Current				
Instruction				
Student instruction and added needs	11,676,188	12,923,491	12,893,604	29,887
Supporting services				
Pupil	12,191,700	13,670,149	13,690,475	(20,326)
Instructional staff	1,130,362	1,243,067	1,259,228	(16,161)
General administration	1,075,286	1,020,448	869,492	150,956
School administration	2,369,060	2,513,509	2,540,652	(27,143)
Business services	365,592	252,000	252,781	(781)
Operation and maintenance	1,804,770	1,833,400	1,785,702	47,698
Pupil transportation	3,946,972	2,754,036	2,825,869	(71,833)
Central services	940,232	1,042,504	986,235	56,269
Other	600	500	154	346
Total supporting services	23,824,574	24,329,613	24,210,588	119,025
Community services	6,100	16,600	11,088	5,512
Intergovernmental expenditures and other	62,042,296	63,915,131	63,801,495	113,636
TOTAL EXPENDITURES	97,549,158	101,184,835	100,916,775	268,060
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,122,373	6,340,379	5,557,429	(782,950)
OTHER FINANCING SOURCES (USES)				
Transfers in	108,512	94,578	94,516	(62)
Transfers out	(14,777,970)	(6,519,066)	(5,697,105)	821,961
TOTAL OTHER FINANCING SOURCES (USES)	(14,669,458)	(6,424,488)	(5,602,589)	821,899
NET CHANGE IN FUND BALANCE	\$ (12,547,085)	\$ (84,109)	(45,160)	\$ 38,949
FUND BALANCE				
Beginning of year			27,450,102	
End of year			<u>\$ 27,404,942</u>	

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
VOCATIONAL EDUCATION FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	GAAP Basis		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Local sources	\$ 17,019,466	\$ 17,133,868	\$ 17,037,597	\$ (96,271)
State sources	3,792,084	4,704,585	4,637,753	(66,832)
Federal sources	460,440	421,017	421,017	-
Intergovernmental revenues	26,000	28,222	41,230	13,008
TOTAL REVENUES	21,297,990	22,287,692	22,137,597	(150,095)
EXPENDITURES				
Current				
Instruction				
Basic programs	8,810,219	8,772,706	8,828,450	(55,744)
Adult continuing education	894,215	985,540	892,458	93,082
Total instruction	9,704,434	9,758,246	9,720,908	37,338
Supporting services				
Pupil	1,827,995	1,821,464	1,924,361	(102,897)
Instructional staff	2,528,045	2,898,731	2,965,720	(66,989)
General administration	15,000	93,731	95,689	(1,958)
School administration	615,043	710,640	682,524	28,116
Business services	85,660	95,860	98,936	(3,076)
Operation and maintenance	1,416,755	1,348,698	1,257,709	90,989
Pupil transportation	170,600	162,500	154,157	8,343
Central services	504,344	568,644	589,678	(21,034)
Total supporting services	7,163,442	7,700,268	7,768,774	(68,506)
Intergovernmental expenditures	49,000	75,957	77,071	(1,114)
TOTAL EXPENDITURES	16,916,876	17,534,471	17,566,753	(32,282)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,381,114	4,753,221	4,570,844	(182,377)
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,487,973)	(6,424,628)	(6,190,357)	234,271
NET CHANGE IN FUND BALANCE	\$ (2,106,859)	\$ (1,671,407)	(1,619,513)	\$ 51,894
FUND BALANCE				
Beginning of year			11,766,387	
End of year			\$ 10,146,874	

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
COOPERATIVE FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	GAAP Basis		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Local sources	\$ 523,520	\$ 545,127	\$ 835,210	\$ 290,083
State sources	1,415,557	2,585,976	2,126,565	(459,411)
Intergovernmental revenues	6,746,817	6,827,782	6,331,859	(495,923)
TOTAL REVENUES	8,685,894	9,958,885	9,293,634	(665,251)
EXPENDITURES				
Current				
Supporting services				
Pupil	651,020	1,337,789	884,560	453,229
Instructional staff	685,244	776,895	693,016	83,879
Business services	1,722,469	1,760,339	1,760,750	(411)
Central services	6,620,152	7,658,622	7,414,702	243,920
Other	1,912,000	1,900,000	1,596,239	303,761
Total supporting services	11,590,885	13,433,645	12,349,267	1,084,378
Community services	185,397	180,465	179,733	732
TOTAL EXPENDITURES	11,776,282	13,614,110	12,529,000	1,085,110
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,090,388)	(3,655,225)	(3,235,366)	419,859
OTHER FINANCING SOURCES (USES)				
Transfers in	3,148,174	3,729,487	3,339,689	(389,798)
Transfers out	(7,785)	(56,523)	(76,951)	(20,428)
TOTAL OTHER FINANCING SOURCES (USES)	3,140,389	3,672,964	3,262,738	(410,226)
NET CHANGE IN FUND BALANCE	\$ 50,001	\$ 17,739	27,372	\$ 9,633
FUND BALANCE				
Beginning of year			1,120,949	
End of year			\$ 1,148,321	

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
 ENHANCEMENT FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023**

	GAAP Basis		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Local sources	\$ 13,692,427	\$ 13,818,241	\$ 13,813,771	\$ (4,470)
EXPENDITURES				
Interdistrict transactions	13,583,915	13,723,663	13,719,255	4,408
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	108,512	94,578	94,516	(62)
OTHER FINANCING SOURCES (USES)				
Transfers out	(108,512)	(94,578)	(94,516)	62
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE				
Beginning of year			-	
End of year			\$ -	

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STUDENT/SCHOOL ACTIVITIES FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	GAAP Basis		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Local sources	\$ 215,236	\$ 113,616	\$ 151,313	\$ 37,697
EXPENDITURES				
Supporting services				
Other	157,401	138,039	258,092	(120,053)
NET CHANGE IN FUND BALANCE	<u>\$ 57,835</u>	<u>\$ (24,423)</u>	(106,779)	<u>\$ (82,356)</u>
FUND BALANCE				
Beginning of year			<u>341,652</u>	
End of year			<u>\$ 234,873</u>	

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED
AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.33096%	0.33041%	0.32750%	0.31651%	0.30013%	0.28683%	0.27194%	0.25951%	0.24746%
Reporting Unit's proportionate share of net pension liability	\$ 124,469,050	\$ 78,225,365	\$ 112,498,696	\$ 104,817,944	\$ 90,223,889	\$ 74,330,082	\$ 67,845,697	\$ 63,385,714	\$ 54,507,893
Reporting Unit's covered-employee payroll	\$ 32,184,292	\$ 30,154,102	\$ 29,889,232	\$ 28,457,538	\$ 26,627,363	\$ 24,482,508	\$ 23,572,921	\$ 21,759,582	\$ 21,092,713
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	386.74%	259.42%	376.39%	368.33%	338.84%	303.60%	287.81%	291.30%	258.42%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED
AS OF YEAR ENDED JUNE 30)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 15,173,971	\$ 10,639,616	\$ 9,790,675	\$ 8,819,119	\$ 8,260,023	\$ 7,793,375	\$ 6,750,027	\$ 5,948,092	\$ 4,829,570
Contributions in relation to statutorily required contributions	<u>15,173,971</u>	<u>10,639,616</u>	<u>9,790,675</u>	<u>8,819,119</u>	<u>8,260,023</u>	<u>7,793,375</u>	<u>6,750,027</u>	<u>5,948,092</u>	<u>4,829,570</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 34,451,970	\$ 31,587,563	\$ 30,079,684	\$ 29,669,244	\$ 28,033,877	\$ 26,023,387	\$ 24,183,117	\$ 22,883,348	\$ 21,542,723
Contributions as a percentage of covered-employee payroll	44.04%	33.68%	32.55%	29.72%	29.46%	29.95%	27.91%	25.99%	22.42%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED
AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Reporting Unit's proportion of net OPEB liability (%)	0.32844%	0.33028%	0.33498%	0.32408%	0.31165%	0.28722%
Reporting Unit's proportionate share of net OPEB liability	\$ 6,956,498	\$ 5,041,293	\$ 17,945,724	\$ 23,261,395	\$ 24,773,120	\$ 25,434,495
Reporting Unit's covered-employee payroll	\$ 32,184,292	\$ 30,154,102	\$ 29,889,232	\$ 28,457,538	\$ 26,627,363	\$ 24,482,508
Reporting Unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	21.61%	16.72%	60.04%	81.74%	93.04%	103.89%
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REPORTING UNIT'S OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED
AS OF YEAR ENDED JUNE 30)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 2,732,701	\$ 2,394,574	\$ 2,567,144	\$ 2,472,002	\$ 2,295,098	\$ 2,220,158
Contributions in relation to statutorily required contributions	<u>2,732,701</u>	<u>2,394,574</u>	<u>2,567,144</u>	<u>2,472,002</u>	<u>2,295,098</u>	<u>2,220,158</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 34,451,970	\$ 31,587,563	\$ 30,079,684	\$ 29,669,244	\$ 28,033,877	\$ 26,023,387
Contributions as a percentage of covered-employee payroll	7.93%	7.58%	8.53%	8.33%	8.19%	8.53%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023**

NOTE 1 - PENSION INFORMATION

Benefit Changes - there were no changes of benefit terms in 2022.

Changes of Assumptions - the assumption changes for 2022 were:

Discount rate for MIP, Basic, and Pension Plus plans decreased to 6.00% from 6.80%.

NOTE 2 - OPEB INFORMATION

Benefit Changes - there were no changes of benefit terms in 2022.

Changes of Assumptions - the assumption changes for 2022 were:

Discount rate decreased to 6.00% from 6.95%.

NOTE 3 - BASIS OF BUDGETING

The District budgets on a GAAP basis.

ADDITIONAL SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUND TYPES

Special Revenue Funds

Enhancement Fund - this fund accounts for revenue sources that result from local tax collections and disbursed to local education agencies.

Student/School Activities Fund - this fund accounts for revenue sources and disbursements that result from student and school activity accounts.

Permanent Fund

The permanent fund is used to account for monies held in a perpetual trust, the earnings of which may be used for specified educational purposes. Expenditures of interest income is governed by a three-member committee which is appointed by the Board of Education.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2023**

	Special Revenue - Student/School Activities	Special Revenue - Enhancement Fund	Permanent Fund	Total Nonmajor Funds
ASSETS				
Cash and cash equivalents	\$ 235,416	\$ 2,883	\$ 369	\$ 238,668
Investments	-	-	317,663	317,663
Accounts receivable	2,950	6,552	-	9,502
TOTAL ASSETS	<u>\$ 238,366</u>	<u>\$ 9,435</u>	<u>\$ 318,032</u>	<u>\$ 565,833</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 3,493	\$ 9,435	-	\$ 12,928
FUND BALANCES				
Nonspendable				
Endowment corpus	-	-	250,000	250,000
Restricted				
Endowment earnings	-	-	68,032	68,032
Committed				
Student/school activities	234,873	-	-	234,873
TOTAL FUND BALANCES	<u>234,873</u>	<u>-</u>	<u>318,032</u>	<u>552,905</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 238,366</u>	<u>\$ 9,435</u>	<u>\$ 318,032</u>	<u>\$ 565,833</u>

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2023**

	Special Revenue - Student/School Activities	Special Revenue - Enhancement Fund	Permanent Fund	Total Nonmajor Funds
REVENUES				
Property taxes	\$ -	\$ 13,813,771	\$ -	\$ 13,813,771
Investment earnings	-	-	9,245	9,245
Student activity income	151,313	-	-	151,313
TOTAL REVENUES	151,313	13,813,771	9,245	13,974,329
EXPENDITURES				
Support				
Student activity expense	258,092	-	-	258,092
Interdistrict transactions	-	13,719,255	-	13,719,255
TOTAL EXPENDITURES	258,092	13,719,255	-	13,977,347
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(106,779)	94,516	9,245	(3,018)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(94,516)	-	(94,516)
NET CHANGE IN FUND BALANCES	(106,779)	-	9,245	(97,534)
FUND BALANCES				
Beginning of year	341,652	-	308,787	650,439
End of year	\$ 234,873	\$ -	\$ 318,032	\$ 552,905

STATISTICAL SECTION (UNAUDITED)

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION OVERVIEW
2022-2023**

This part of the Ottawa Area Intermediate School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

DEMOGRAPHIC & ECONOMIC INFORMATION

These schedules present demographic and economic indicators to help the reader understand the economic environment within which the District operates.

OPERATIONAL INFORMATION

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net investment in capital assets \$	18,656,843	\$ 18,316,835	\$ 17,714,707	\$ 19,244,515	\$ 19,652,174	\$ 21,504,683	\$ 23,297,171	\$ 22,856,853	\$ 25,737,742	\$ 29,211,623
Restricted:										
Other purposes	53,193,930	12,518,789	13,245,301	7,845,847	303,403	305,798	308,424	308,597	308,787	318,032
Unrestricted	10,784,401	(3,761,956)	(3,687,854)	(6,112,438)	(32,670,109)	(39,664,512)	(46,567,607)	(51,217,194)	(51,503,073)	(52,430,725)
Total Primary Government Net Position	\$ 82,635,174	\$ 27,073,668	\$ 27,272,154	\$ 20,977,924	\$ (12,714,532)	\$ (17,854,031)	\$ (22,962,012)	\$ (28,051,744)	\$ (25,456,544)	\$ (22,901,070)

Note: Net position was restated for fiscal year 2015 as of July 1, 2014 with the implementation of GASB Statements 68 and 71.

Note: Net position was restated for fiscal year 2018 as of July 1, 2017 with the implementation of GASB Statement 75.

Note: Net position was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB Statement 84.

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Changes in Governmental Net Position
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses										
Governmental Activities:										
Instruction	\$ 16,277,770	\$ 17,141,315	\$ 18,456,936	\$ 20,028,823	\$ 21,007,346	\$ 23,043,014	\$ 24,642,319	\$ 22,716,579	\$ 19,630,171	\$ 21,765,665
Support Services	31,200,188	32,859,329	34,780,279	38,986,700	40,315,572	45,041,496	50,057,622	53,068,406	48,405,274	56,358,430
Community Services	49,612	51,753	73,668	155,700	136,527	223,800	276,231	349,078	520,564	540,256
Outgoing transfers and other transactions	50,891,622	52,535,327	52,569,110	57,561,318	58,130,084	59,722,050	72,462,079	75,136,263	81,029,840	86,041,748
Student/school activities	-	-	-	-	-	-	194,053	137,536	173,416	258,092
Interest on long-term debt	136,041	125,609	114,750	101,850	85,579	69,666	41,667	-	-	-
Unallocated depreciation	1,328,045	1,412,068	1,422,670	1,551,755	1,501,274	1,556,481	1,746,463	1,931,912	1,532,884	1,848,749
Total governmental activities	<u>99,883,278</u>	<u>104,125,401</u>	<u>107,417,413</u>	<u>118,386,146</u>	<u>121,176,382</u>	<u>129,656,507</u>	<u>149,420,434</u>	<u>153,339,774</u>	<u>151,292,149</u>	<u>166,812,940</u>
Program Revenues:										
Charges for Services	4,597,288	4,462,140	4,993,257	5,116,756	4,550,732	7,869,150	8,731,597	5,464,615	6,527,892	5,981,340
Operating grants and contributions	31,497,316	34,548,063	35,025,305	39,452,797	40,113,921	44,723,302	47,875,754	52,087,595	54,635,627	62,220,166
Capital grants and contributions										
Total program revenue	<u>36,094,604</u>	<u>39,010,203</u>	<u>40,018,562</u>	<u>44,569,553</u>	<u>44,664,653</u>	<u>52,592,452</u>	<u>56,607,351</u>	<u>57,552,210</u>	<u>61,163,519</u>	<u>68,201,506</u>
Net (expense) revenue	<u>(63,788,674)</u>	<u>(65,115,198)</u>	<u>(67,398,851)</u>	<u>(73,816,593)</u>	<u>(76,511,729)</u>	<u>(77,064,055)</u>	<u>(92,813,083)</u>	<u>(95,787,564)</u>	<u>(90,128,630)</u>	<u>(98,611,434)</u>
General Revenues:										
Property taxes, levied for general operations	61,042,230	62,574,409	65,875,207	65,865,460	66,704,757	70,024,330	85,632,879	89,054,988	92,114,046	97,605,976
Unrestricted state aid	1,596,209	1,511,179	1,509,715	1,509,715	1,509,715	1,540,257	1,555,636	1,555,308	1,617,521	1,701,632
Other	173,227	94,791	130,294	114,711	118,635	124,644	60,902	61,796	21,478	105,428
Unrestricted investment earnings (loss)	48,075	48,990	82,121	32,477	34,355	235,325	320,290	25,740	(1,029,215)	1,753,872
Total general revenues	<u>62,859,741</u>	<u>64,229,369</u>	<u>67,597,337</u>	<u>67,522,363</u>	<u>68,367,462</u>	<u>71,924,556</u>	<u>87,569,707</u>	<u>90,697,832</u>	<u>92,723,830</u>	<u>101,166,908</u>
Change in net position	<u>\$ (928,933)</u>	<u>\$ (885,829)</u>	<u>\$ 198,486</u>	<u>\$ (6,294,230)</u>	<u>\$ (8,144,267)</u>	<u>\$ (5,139,499)</u>	<u>\$ (5,243,376)</u>	<u>\$ (5,089,732)</u>	<u>\$ 2,595,200</u>	<u>\$ 2,555,474</u>

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

Fund Balances
All Governmental Fund Types
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund:										
Nonspendable										
Inventories	\$ 2,169	\$ 88	\$ 37	\$ 116	\$ -	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64
Prepaid Items	61,833	63,477	72,345	81,475	82,341	86,403	6,400	90,533	105,164	113,705
Assigned										
Compensated Absences	97,792	120,055	220,274	244,033	181,436	238,978	238,978	378,453	818,850	851,367
Subsequent year expenditures	270,044	104,407	490,658	246,452	199,955	169,672	408,444	462,049	445,020	476,860
Unassigned	4,278,491	4,411,954	3,907,511	3,869,894	3,637,286	3,631,422	3,625,310	3,705,242	3,258,724	3,192,664
Total General Fund	\$ 4,710,329	\$ 4,699,981	\$ 4,690,825	\$ 4,441,970	\$ 4,101,018	\$ 4,126,539	\$ 4,279,196	\$ 4,636,341	\$ 4,627,822	\$ 4,634,660
All Other Governmental Funds:										
Nonspendable										
Inventories	\$ 590,702	\$ 387,734	\$ 266,645	\$ 233,070	\$ 388,045	\$ 1,399	\$ 1,399	\$ 816,810	\$ 1,399	\$ -
Prepaid items	307,342	333,617	363,614	474,346	438,755	464,422	111,527	556,025	552,755	597,536
Endowment corpus	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Restricted										
Inventories	-	-	-	-	-	591,735	-	-	-	-
Endowment earnings	116,382	52,325	52,486	52,893	53,403	55,798	58,424	58,597	58,787	68,032
Debt service	4,948	4,948	4,948	4,948	4,948	4,948	-	-	-	-
Special Revenue	53,341,209	52,649,720	54,680,930	46,178,500	36,595,499	42,549,996	42,159,509	42,130,105	39,783,284	38,102,601
Assigned										
Compensated Absences	445,499	546,917	473,146	465,934	358,288	-	-	-	-	-
Subsequent year expenditures	1,150,100	1,168,289	1,852,647	4,443,393	7,319,018	-	-	-	-	-
Capital Projects Funds	3,667,902	3,676,824	3,707,729	3,115,581	3,098,660	3,152,754	7,327,980	9,581,257	9,514,174	11,034,837
Committed for student/school activities							159,812	279,492	341,652	234,873
Total all other governmental funds	\$ 59,874,084	\$ 59,070,374	\$ 61,652,145	\$ 55,218,665	\$ 48,506,616	\$ 47,071,052	\$ 50,068,651	\$ 53,672,286	\$ 50,502,051	\$ 50,287,879
Total all funds	\$ 64,584,413	\$ 63,770,355	\$ 66,342,970	\$ 59,660,635	\$ 52,607,634	\$ 51,197,591	\$ 54,347,847	\$ 58,308,627	\$ 55,129,873	\$ 54,922,539

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Changes in Fund Balances
All Governmental Fund Types
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue:										
Local revenue	\$ 66,916,192	\$ 68,448,046	\$ 72,463,146	\$ 72,535,859	\$ 72,843,227	\$ 79,813,480	\$ 94,960,601	\$ 94,864,355	\$ 97,870,753	\$ 105,603,426
State revenue	15,199,924	17,557,674	19,445,635	21,787,854	22,694,170	26,831,997	28,301,164	29,364,761	31,446,772	41,687,934
Federal revenue	11,652,528	11,729,685	11,915,220	12,467,095	12,287,049	12,980,455	13,141,747	13,955,317	17,274,766	17,436,514
Other sources	5,185,701	5,522,108	5,531,147	5,712,852	5,273,734	5,325,749	7,909,609	10,864,190	8,166,253	8,391,127
Total revenue	98,954,345	103,257,513	109,355,148	112,503,660	113,098,180	124,951,681	144,313,121	149,048,623	154,758,544	173,119,001
Expenditures										
Current:										
Instruction	16,617,457	17,375,558	18,521,110	19,762,414	20,487,559	21,464,541	21,298,536	20,229,214	20,771,031	22,653,507
Supporting services	31,177,525	33,156,702	34,807,286	38,516,520	39,521,792	41,819,549	43,729,367	48,129,997	51,204,855	59,338,143
Community Services	49,612	51,753	73,668	155,700	136,527	223,800	276,231	349,078	520,564	540,256
Interdistrict transactions	-	-	-	-	-	-	12,009,106	12,484,294	12,931,044	13,719,255
Other services	50,891,622	52,489,650	52,511,591	59,023,272	58,130,084	59,783,444	60,821,592	62,737,969	68,654,427	72,322,493
Debt Service:										
Principal	520,000	530,000	540,000	555,000	575,000	590,000	1,250,000	-	-	-
Interest and issuance costs	137,775	127,375	116,775	104,625	87,975	73,600	50,000	-	-	-
Capital outlay	1,807,372	340,533	212,103	1,068,464	1,212,244	2,406,790	1,866,970	1,157,291	3,855,377	4,752,681
Total expenditures	101,201,363	104,071,571	106,782,533	119,185,995	120,151,181	126,361,724	141,301,802	145,087,843	157,937,298	173,326,335
Excess of Revenue Over (Under) Expenditures	(2,247,018)	(814,058)	2,572,615	(6,682,335)	(7,053,001)	(1,410,043)	3,011,319	3,960,780	(3,178,754)	(207,334)
Other Financing Sources (Uses):										
Transfers in	6,721,695	5,553,513	6,822,924	7,736,831	9,595,238	10,675,036	15,046,535	11,796,682	12,459,992	15,980,421
Transfers out	(6,721,695)	(5,553,513)	(6,822,924)	(7,736,831)	(9,595,238)	(10,675,036)	(15,046,535)	(11,796,682)	(12,459,992)	(15,980,421)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	(2,247,018)	(814,058)	2,572,615	(6,682,335)	(7,053,001)	(1,410,043)	3,011,319	3,960,780	(3,178,754)	(207,334)
Fund Balances-beginning of year	66,831,431	64,584,413	63,770,355	66,342,970	59,660,635	52,607,634	51,197,591	54,347,847	58,308,627	55,129,873
Prior period adjustment	-	-	-	-	-	-	138,937	-	-	-
Fund Balances, beginning of year	66,831,431	64,584,413	63,770,355	66,342,970	59,660,635	52,607,634	51,336,528	54,347,847	58,308,627	55,129,873
Fund Balances-End of year	\$ 64,584,413	\$ 63,770,355	\$ 66,342,970	\$ 59,660,635	\$ 52,607,634	\$ 51,197,591	\$ 54,347,847	\$ 58,308,627	\$ 55,129,873	\$ 54,922,539
Debt service as a percentage of noncapital expenditure	0.67%	0.64%	0.62%	0.56%	0.56%	0.54%	0.94%	0.00%	0.00%	0.00%

Note: Fund balance was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB Statement 84.
Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of Government-wide Revenues
Last Ten Fiscal Years

<u>Revenue</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Charges for services:										
Instruction	\$ 781,539	\$ 758,564	\$ 848,854	\$ 869,849	\$ 773,624	\$ 1,337,756	\$ 1,484,371	\$ 163,938	\$ 1,109,742	\$ 171,119
Supporting services	3,677,830	3,569,712	3,994,606	4,093,405	3,640,586	6,295,320	6,985,278	928,985	5,222,314	1,018,286
Community services	137,919	133,864	149,797	153,502	136,522	236,074	261,948	4,371,692	195,836	4,791,935
Total charges for services	4,597,288	4,462,140	4,993,257	5,116,756	4,550,732	7,869,150	8,731,597	5,464,615	6,527,892	5,981,340
Operating grants/contributions:										
Instruction	16,315,625	18,596,238	19,059,097	22,209,350	22,722,822	25,841,530	28,067,103	30,717,582	29,975,550	35,991,113
Supporting services	5,220,681	5,774,576	6,312,264	7,076,920	7,234,330	8,495,590	8,800,542	9,386,438	9,685,420	12,135,966
Community services	-	-	22,841	40,262	118,986	53,755	34,555	42,707	32,617	26,763
Outgoing transfers and other transactions	9,961,010	10,177,249	9,631,103	10,126,265	10,037,782	10,332,427	10,758,626	11,683,652	14,706,464	13,915,011
Student/school activities	-	-	-	-	-	-	214,928	257,216	235,576	151,313
Total operating grants/contributions	31,497,316	34,548,063	35,025,305	39,452,797	40,113,920	44,723,302	47,875,754	52,087,595	54,635,627	62,220,166
General revenue:										
Property taxes	61,042,230	62,574,409	65,875,207	65,865,460	66,704,757	70,024,330	85,632,879	89,054,988	92,114,046	97,605,976
Unrestricted state aid	1,596,209	1,511,179	1,509,715	1,509,715	1,509,715	1,540,257	1,555,636	1,555,308	1,617,521	1,701,632
Other	173,227	94,791	130,294	114,711	118,635	124,644	60,902	61,796	21,478	105,428
Unrestricted investment earnings	48,075	48,990	82,121	32,477	34,355	235,325	320,290	25,740	(1,029,215)	1,753,872
Total general revenue	\$ 62,859,741	\$ 64,229,369	\$ 67,597,337	\$ 67,522,363	\$ 68,367,462	\$ 71,924,556	\$ 87,569,707	\$ 90,697,832	\$ 92,723,830	\$ 101,166,908

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of Expenditures by Function-All Governmental Fund Types
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction	\$ 16,617,457	\$ 17,375,558	\$ 18,521,110	\$ 19,762,414	\$ 20,487,559	\$ 21,464,541	\$ 21,298,536	\$ 20,229,214	\$ 20,771,031	\$ 22,653,507
Support Services	31,177,525	33,156,702	34,807,286	38,516,520	39,521,792	41,819,549	43,729,367	48,129,997	51,204,855	59,338,143
Community Services	49,612	51,753	73,668	155,700	136,527	223,800	276,231	349,078	520,564	540,256
Interdistrict transactions	-	-	-	-	-	-	12,009,106	12,484,294	12,931,044	13,719,255
Outgoing transfers and other transactions	50,891,622	52,489,650	52,511,591	59,023,272	58,130,084	59,783,444	60,821,592	62,737,969	68,654,427	72,322,493
Capital Outlay	1,807,372	340,533	212,103	1,068,464	1,212,244	2,406,790	1,866,970	1,157,048	3,855,377	4,752,681
Debt Service	657,775	657,375	656,775	659,625	662,975	663,600	1,300,000	-	-	-
Total	\$ 101,201,363	\$ 104,071,571	\$ 106,782,533	\$ 119,185,995	\$ 120,151,181	\$ 126,361,724	\$ 141,301,802	\$ 145,087,600	\$ 157,937,298	\$ 173,326,335

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Assessed Taxable Value and Estimated Actual Value of Taxable Property
Last Ten Years

Tax Year	Taxable Value by Property Type								Taxable Valuation			Tax Rate (Mills)			
	Real Property						Personal Property	Total Taxable Value	Principal Residence	Non-Principal Residence	Total Taxable Value	Principal Residence	Non-Principal Residence	Assessment Percentage	Market Value
	Agricultural	Commercial	Industrial	Residential	Timber-Cutover	Developmental									
2014	\$ 303,535,280	\$ 1,081,075,012	\$ 716,738,068	\$ 6,882,942,709	\$ -	\$ 726,843	\$ 766,983,983	\$ 9,752,001,895	\$ 6,934,918,604	\$ 2,817,083,291	\$ 9,752,001,895	5.5234	5.5234	50%	\$ 19,504,003,790
2015	309,247,863	1,127,304,393	734,666,856	7,147,966,359	-	737,758	977,646,565	10,297,569,794	7,066,401,000	3,231,168,794	10,297,569,794	5.5234	5.5234	50%	20,595,139,588
2016	312,456,178	1,165,493,819	746,055,359	7,402,416,788	-	128,406	812,109,650	10,438,660,200	7,113,356,587	3,325,303,613	10,438,660,200	5.4970	5.4970	50%	20,877,320,400
2017	319,703,671	1,246,667,068	756,360,775	7,745,729,660	-	182,529	759,224,684	10,827,868,387	7,245,374,476	3,582,493,911	10,827,868,387	5.4577	5.4577	50%	21,655,736,774
2018	330,749,092	1,345,196,724	546,486,610	8,190,295,833	-	89,220	857,203,095	11,270,020,574	7,443,695,946	3,826,324,628	11,270,020,574	5.4577	5.4577	50%	22,540,041,148
2019	339,950,348	1,406,108,936	586,463,927	8,697,970,905	-	91,361	849,821,819	11,880,407,296	7,918,437,446	3,961,969,850	11,880,407,296	6.3414	6.3414	50%	23,760,814,592
2020	348,568,604	1,489,673,377	620,262,150	9,180,634,562	-	93,096	837,183,716	12,476,415,505	8,383,177,872	4,093,237,633	12,476,415,505	6.2906	6.2906	50%	24,952,831,010
2021	359,018,875	1,559,280,411	644,248,390	9,641,202,576	-	94,399	824,982,650	13,028,827,301	8,850,620,363	4,178,206,938	13,028,827,301	6.2245	6.2245	50%	26,057,654,602
2022	375,538,688	1,683,224,579	690,574,553	10,371,149,794	-	114,300	857,966,540	13,978,568,454	9,514,713,671	4,463,854,783	13,978,568,454	6.1546	6.1546	50%	27,957,136,908
2023	392,369,304	1,835,824,798	753,513,077	11,334,740,054	-	-	852,617,018	15,169,064,251	10,340,685,001	4,828,379,250	15,169,064,251	6.1546	6.1546	50%	30,338,128,502

Source: Ottawa County Equalization & Apportionment Reports
Ottawa County Totals ONLY (not by OAISSD school districts)
Michigan Department of Treasury; State Tax Commission; Taxable Valuations <https://www.michigan.gov/treasury>

Notes: The Michigan Constitution and Statutes provide that property is to be assessed and equalized at 50% of its fair market value.
For taxes levied in 1995, and each year thereafter, the legislature shall provide for the taxable value of each property not to increase by more than the increase in the immediately preceding general price level (CPI), or 5%, whichever is less, until such time as ownership of the property is transferred. When ownership of the parcel is transferred, the parcel shall be assessed at the applicable proportion of the current true cash value.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of Property Tax Rates Levied on Property within the District
Direct and Overlapping Levies - Last Ten Years

Millage Rates - Direct OASD Taxes								Overlapping Taxes (Municipality & Authority Levies/Millages)									
Tax Year	FY ended June 30	General Education Levy	Special Education Levy	Vocational Education Levy	Enhancement Levy	Debt Levy	State Education Tax (SET)	Ottawa County	Allegan County	Muskegon County	Allendale Township	Blendon Township	Chester Township	Coopersville City	Crockery Township	Douglas City/Village	Ferrysburg City
2013	2014	0.1061	4.3750	1.0423	0.0000	0.0000	6.0000	4.3565	5.8977	6.6957	2.7422	2.7256	4.0708	13.8462	2.8597	13.0818	9.3530
2014	2015	0.1061	4.3750	1.0423	0.0000	0.0000	6.0000	4.3565	6.0937	6.6557	2.7422	2.7064	4.0708	13.7596	3.3161	13.0818	9.8530
2015	2016	0.1061	4.3750	1.0423	0.0000	0.0000	6.0000	4.3565	6.0937	6.6357	2.7422	3.0367	4.3208	13.6960	3.2103	13.0818	9.8486
2016	2017	0.1055	4.3544	1.0371	0.0000	0.0000	6.0000	5.1483	6.0839	6.8957	2.7422	3.0133	4.3098	13.7228	3.7103	13.0818	9.6849
2017	2018	0.1047	4.3233	1.0297	0.0000	0.0000	6.0000	5.1525	6.0424	6.8957	2.7422	2.9695	4.3094	13.6641	3.7013	13.0818	9.5674
2018	2019	0.1047	4.3233	1.0297	0.0000	0.0000	6.0000	5.1525	6.0708	6.8957	2.7422	2.9313	4.3094	13.2452	3.6833	13.0818	9.4637
2019	2020	0.1213	4.3003	1.0242	0.8956	0.0000	6.0000	5.4449	6.0216	6.8957	2.7422	3.0198	4.4092	13.2424	3.8314	13.0818	9.4752
2020	2021	0.1203	4.2656	1.0160	0.8887	0.0000	6.0000	5.4317	6.2341	6.8947	2.7422	3.0034	4.4003	13.2419	3.7835	13.0818	9.2939
2021	2022	0.1190	4.2206	1.0053	0.8796	0.0000	6.0000	5.4156	6.3161	6.8490	2.7422	2.9605	4.3891	13.2399	3.7481	13.0818	9.1515
2022	2023	0.1176	4.1731	0.9940	0.8699	0.0000	6.0000	5.3984	6.9483	6.7878	2.7422	2.9246	4.3638	13.2392	3.6827	13.0818	10.5943

Overlapping Taxes (Municipality & Authority Levies/Millages)																	
Tax Year	FY ended June 30	Muskegon Area Library District	Muskegon Community College	NE Ottawa Library District	Norton Shores City	Olive Township	Overisel Township	Park Township	Polkton Township	Port Sheldon Township	Ravenna Township	Robinson Township	Salem Township	Saugatuck City	Saugatuck Township	Spring Lake Library District	Spring Lake Township
2013	2014	0.7490	2.2037	0.5881	10.5500	4.9784	7.1500	3.8710	4.2069	1.4500	3.1564	3.4800	6.8043	15.5320	2.6150	2.2535	1.3798
2014	2015	0.7490	2.5437	0.5881	10.5500	4.9784	7.1500	4.3584	3.9569	1.4500	3.1564	3.4621	6.8043	15.3600	2.6396	2.2235	1.3798
2015	2016	0.7490	2.5437	0.5881	10.9500	4.9784	7.1600	4.3288	4.2069	1.4500	3.1564	3.4557	6.8043	15.6745	2.6396	2.2120	2.0392
2016	2017	1.2490	2.5437	0.8181	10.9500	4.9603	7.2934	4.3063	4.2069	1.4488	3.1439	3.4320	6.7729	15.8132	2.6315	2.1948	2.0149
2017	2018	1.2490	2.5437	0.8641	10.9500	4.9603	7.4100	4.5105	4.1921	1.4488	3.1338	3.4247	6.6847	15.7723	2.5903	2.1820	2.0950
2018	2019	1.2490	2.5437	0.8722	10.9500	4.9366	7.4100	3.0171	4.1752	1.4488	3.1246	3.3933	6.5448	15.7194	2.5487	2.1227	2.2730
2019	2020	1.2490	2.5437	0.8600	10.9500	4.4352	7.4100	2.9180	4.1752	1.4488	3.1060	3.3871	6.3961	14.7673	2.5259	2.0855	2.2680
2020	2021	1.2448	2.5434	0.8581	10.9500	4.4754	7.4100	2.7612	4.1996	2.1997	3.1217	3.5254	6.3409	14.6683	2.5095	1.9004	2.2822
2021	2022	1.2363	2.5288	0.8533	10.9500	4.4466	7.4100	2.7508	4.1752	2.1997	3.0914	3.4848	6.9536	14.2502	2.8539	1.4321	2.2769
2022	2023	1.2230	2.5093	0.8083	10.9500	2.4889	7.4100	2.7244	4.1506	2.1997	3.0740	3.4320	6.9536	13.9802	3.1217	1.4735	2.2575

Source: Michigan Department of Treasury; State Tax Commission; Millage Search

<https://eequal.bsasoftware.com/MillageSearch.aspx>

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of Property Tax Rates Levied on Property within the District
Direct and Overlapping Levies - Last Ten Years (continued)

Overlapping Taxes (Municipality & Authority Levies/Millages)

Fillmore Township	Georgetown Township	Grand Haven City	Grand Haven City Authority	Grand Haven Township	Heath Township	Holland City	Holland City Authority	Holland Pool Authority	Holland Township	Hudsonville City	Hudsonville City Authority	Jamestown Township	Laketown Township	Loutit Library District	Manlius Township	Max Transportation Authority	Monterey Township
<u>Allegan Co</u>	<u>Ottawa Co</u>	<u>Ottawa Co</u>	<u>Ottawa Co</u>	<u>Ottawa Co</u>	<u>Allegan Co</u>	<u>Allg/Ott Co</u>	<u>Allg/Ott Co</u>	<u>Allg/Ott Co</u>	<u>Ottawa Co</u>	<u>Ottawa Co</u>	<u>Ottawa Co</u>	<u>Ottawa Co</u>	<u>Allegan Co</u>	<u>Ottawa Co</u>	<u>Allegan Co</u>	<u>Allg/Ott Co</u>	<u>Allegan Co</u>
6.3043	2.7500	14.1111	1.8448	4.0871	5.3744	15.1085	1.8333	1.5700	6.1000	11.2303	1.0000	4.3312	3.8231	1.0988	6.0086	0.4000	5.8346
6.3043	2.7500	14.1111	1.8448	4.5471	5.3744	15.1085	1.8333	1.7100	6.1000	11.2303	1.0000	4.3242	3.8222	1.0988	6.0086	0.4000	5.8346
6.3043	2.7500	13.9314	1.8440	4.4871	5.3701	15.1085	1.6034	1.6675	6.1000	11.2303	1.0000	4.3282	4.7962	1.0988	6.0086	0.3989	5.8346
6.2852	2.7500	13.9090	1.7984	4.8651	5.3361	15.1085	1.6034	1.6703	6.1000	11.2303	1.0000	4.3004	4.8078	1.0924	5.9677	0.3969	5.8112
6.7231	2.7500	14.5066	1.7827	4.6117	5.2815	13.8682	1.6034	1.5089	6.3453	11.2303	1.0000	4.3140	3.5506	1.0879	5.9961	0.3964	5.7781
6.7284	2.7500	14.4767	1.7827	4.5861	5.2355	13.8692	1.6034	1.1434	4.8600	11.2303	1.0000	4.2776	3.5420	1.0839	5.9601	0.3921	5.7208
6.7148	2.7500	14.4736	1.7736	4.7192	5.1950	13.8692	1.6034	2.2415	4.8600	11.2303	1.0000	4.4591	3.5068	1.0839	5.8319	0.3894	5.6778
6.7071	2.2500	14.4678	1.7331	4.7038	5.3422	13.8692	1.5886	2.2188	4.8600	11.2303	1.0000	4.4343	3.5503	1.0804	5.8260	0.3838	5.6669
6.9740	2.2500	14.4534	1.6821	5.1061	5.5310	13.8692	1.5907	2.0858	4.8600	11.2303	1.0000	4.3764	3.9724	1.0763	6.3111	0.3791	5.9853
6.9506	2.2500	13.9370	1.6481	5.1322	5.4594	13.8692	1.5907	2.0105	4.8600	11.2303	1.0000	4.3065	3.9756	1.0673	6.2693	0.3953	5.8954

Overlapping Taxes (Municipality & Authority Levies/Millages)

Spring Lake Village	Sullivan Township	Tallmadge Township	Special Assessment Saugatuck	Special Assessment Village of Douglas	Special Assessment Village of Douglas	Voted Library/Pool/Fire/Transit	Wright Township	Zeeland City	Zeeland Township
<u>Ottawa Co</u>	<u>Muskegon</u>	<u>Ottawa Co</u>	<u>Allegan Co</u>	<u>Allegan Co</u>	<u>Allegan Co</u>	<u>Ottawa Co</u>	<u>Ottawa Co</u>	<u>Ottawa Co</u>	<u>Ottawa Co</u>
13.0417	2.9841	2.2042	1.3000	1.3000	1.0173	2.0559	11.2354	6.7500	
13.0417	2.9831	2.2042	1.5000	1.5000	1.0173	2.7559	11.2354	6.7500	
12.3992	3.0151	2.2042	1.7000	1.7000	1.0173	2.7535	11.2354	6.7493	
12.3749	2.9891	2.2022	1.7000	1.7000	0.9171	2.7535	11.2354	6.7311	
12.4550	2.9597	2.2025	2.0000	2.0000	0.9139	2.7353	11.2354	6.7238	
10.3600	2.9288	2.7477	2.0000	2.0000	1.1434	3.2274	11.2354	7.2794	
10.3600	2.9152	2.7175	2.0000	2.0000	2.2415	3.2640	11.2354	6.7183	
10.3600	2.8693	2.7899	2.2000	2.2000	2.2188	3.2577	10.2354	6.1901	
10.3600	2.8307	2.7650	2.2000	2.2000	2.0858	2.9783	10.2347	6.6528	
10.3600	2.8001	2.7978	2.2000	2.2000	2.0105	3.2087	9.7700	5.6956	

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of Property Tax Data
Last Ten Years

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Tax Levy	\$ 61,170,726	\$ 62,839,855	\$ 65,889,546	\$ 65,865,460	\$ 67,155,010	\$ 70,018,542	\$ 85,648,265	\$ 89,123,222	\$ 91,946,971	\$ 97,654,330
Current Tax Collections	60,996,874	62,558,535	65,567,322	65,445,869	66,685,043	70,009,435	85,623,846	89,034,781	92,092,449	97,637,993
Percentages of Collections	99.72%	99.55%	99.51%	99.36%	99.30%	99.99%	99.97%	99.90%	100.16%	99.98%
Total Delinquent Property Taxes-Current Year	173,852	281,320	322,224	419,591	469,967	9,107	24,419	88,441	(145,478)	16,337
Collections in subsequent years	172,114	79,494	583,296	13,345	31,460	15,962	10,259	(16,114)	(64,883)	-
Total Collection to date										
Amount Collected	61,168,987	62,638,029	66,150,618	65,459,214	66,716,503	70,025,397	85,634,106	89,018,667	92,027,566	97,637,993
Percentage of Tax Levy	100.00%	99.68%	100.40%	99.38%	99.35%	100.01%	99.98%	99.88%	100.09%	99.98%

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports and accounting records

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Property Tax Levies and Collection
Last 10 Fiscal Years

Year Ended June 30,	Original Tax Levy	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy	Amount Collected		Percentage of Levy	
2014	\$ 61,170,726	\$ 60,996,874	99.72%	\$ 172,114	\$ 61,168,987	100.00%	
2015	62,839,855	62,558,535	99.55%	79,494	62,638,029	99.68%	
2016	65,889,546	65,567,322	99.51%	583,296	66,150,618	100.40%	
2017	65,865,460	65,445,869	99.36%	13,345	65,459,214	99.38%	
2018	67,155,010	66,685,043	99.30%	31,460	66,716,503	99.35%	
2019	70,018,542	70,009,435	99.99%	15,962	70,025,397	100.01%	
2020	85,648,265	85,623,846	99.97%	10,259	85,634,106	99.98%	
2021	89,123,222	89,034,781	99.90%	(16,114)	89,018,667	99.88%	
2022	91,946,971	92,092,449	100.16%	(64,883)	92,027,566	100.09%	
2023	97,654,330	97,637,993	99.98%	-	97,637,993	99.98%	

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports and accounting records

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Principal Taxpayers (Top 10)
Current fiscal year and nine fiscal years ago

Tax Payer	Type of Business	2022 Taxable Value	2022 Rank	% of Total Taxable Value	2013 Taxable Value	2013 Rank	% of Total Taxable Value
Consumers Energy	Utility	\$ 461,317,766	1	3.30%	\$ 636,242,179	1	6.73%
Michigan Electric Transmission	Utility	49,082,017	2	0.35%	19,805,500	9	0.21%
ARC Holland Real Estate Holdings	Real Estate Holdings	34,688,812	3	0.25%			
Gentex	Automotive Components	31,371,029	4	0.22%	138,559,106	2	1.47%
DTE Gas	Utility	30,298,281	5	0.22%	20,448,798	8	
Semco Energy, Inc	Utility	27,781,329	6	0.20%			
Herman Miller Inc.	Office Furniture	20,464,418	7	0.15%	26,001,246	6	0.28%
Meijer Inc.	Retail	18,452,410	8	0.13%			
Alden GV Owner LLC	Housing	16,841,184	9	0.12%			
Mead Johnson and Co.	Food Products	<u>16,290,599</u>	10	0.12%	59,210,072	3	0.63%
Request Foods Inc	Food Products				21,928,500	7	0.23%
Fair Oaks Farm Brands	Food Products				38,105,400	4	
Leprino Foods Inc	Cheese Production				30,651,025	5	0.32%
CS Facilities/Continental Dairy	Cheese Production				<u>18,671,300</u>	10	0.20%
Total		\$ 706,587,845		5.05%	\$ 1,009,623,126		10.68%
Total Taxable Value (Ottawa County):		\$ 13,978,568,454			\$ 9,450,229,465		

Source: Ottawa County 2022 Comprehensive Annual Financial Report

<https://www.miottawa.org/Departments/FiscalServices/audit.htm>

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of State Aid Payments
Last Ten Fiscal Years

<u>Year Ended June 30,</u>	<u>LEA Membership</u>	<u>ISD Membership</u>	<u>Sec 81 Intermediate School Districts Funding</u>
2014	48,795	507	\$ 1,397,253
2015	49,084	465	1,464,321
2016	49,092	454	1,509,715
2017	49,594	465	1,509,715
2018	49,982	441	1,509,715
2019	50,092	434	1,539,909
2020	50,229	431	1,555,308
2021	49,892	422	1,555,308
2022	48,272	357	1,617,521
2023	48,100	332	1,701,632

Sources: Michigan Department of Education State Aid Status Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding to Assessed Value
Last Ten Fiscal Years

Year Ended June 30	Estimated Population ²	Assessed Valuation ¹	General Obligation Bonds	Bond Premium	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net General Bonded Debt per Capita
2014	276,292	\$ 10,952,303,550	\$ 4,040,000	\$ 109,381	\$ 4,149,381	0.04%	15
2015	279,955	11,812,032,747	3,510,000	95,709	3,605,709	0.03%	13
2016	281,103	12,438,366,229	2,970,000	82,037	3,052,037	0.02%	11
2017	282,250	13,388,939,597	2,415,000	68,365	2,483,365	0.02%	9
2018	286,383	13,885,494,938	1,840,000	54,693	1,894,693	0.01%	7
2019	290,494	14,948,197,397	1,250,000	41,021	1,291,021	0.01%	4
2020	291,830	16,163,704,880	-	-	-	0.00%	-
2021	296,200	17,218,334,509	-	-	-	0.00%	-
2022	299,157	18,568,462,753	-	-	-	0.00%	-
2023	302,144	20,914,314,408	-	-	-	0.00%	-

Source: Ottawa Area Intermediate School District Audit Reports

¹ 2023 Ottawa County Equalization Department-Annual Equalization Report

² 2022 Ottawa County Audit Financial Statements

Note: 2023 Population Estimate based on previous year increase.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding by Type
Last Ten Fiscal Years

Year Ended June 30	General Obligation Bonds	Bond Premium	Net General Bonded Debt	Taxable Value ¹	Percentage of Taxable Value	Estimated Population ²	Net General Bonded Debt per Capita	Personal Income ² (in thousands)	Percentage of Personal Income
2014	\$ 4,040,000	\$ 109,381	\$ 4,149,381	\$ 9,752,001,895	0.04%	276,292	15	\$ 10,866,601	0.04%
2015	3,510,000	95,709	3,605,709	10,297,569,794	0.04%	279,955	13	11,931,299	0.03%
2016	2,970,000	82,037	3,052,037	10,438,660,200	0.03%	281,103	11	12,180,025	0.03%
2017	2,415,000	68,365	2,483,365	10,827,868,387	0.02%	282,250	9	12,428,750	0.02%
2018	1,840,000	54,693	1,894,693	11,270,020,574	0.02%	286,383	7	13,252,243	0.01%
2019	1,250,000	41,021	1,291,021	11,880,407,296	0.01%	290,494	4	14,355,612	0.01%
2020	-	-	-	12,476,415,505	0.00%	291,830	-	14,400,384	0.00%
2021	-	-	-	13,028,827,301	0.00%	296,200	-	15,544,530	0.00%
2022	-	-	-	13,978,568,454	0.00%	299,157	-	16,775,381	0.00%
2023	-	-	-	15,169,064,251	0.00%	302,144	-	18,103,694	0.00%

Source: Ottawa Area Intermediate School District Audit Reports

¹ 2023 Ottawa County Equalization Department-Annual Equalization Report

² 2022 Ottawa County Audit Financial Statements

Note: 2023 Population Estimate based on previous year increase.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Schedule of Direct and Overlapping Debt
June 30, 2023

Direct Debt

2004 School Building and Site Bonds (UTNQ) \$ -

Overlapping Debt

Municipality	(1) District's Share
Cities	\$ 132,218,365
Townships	91,430,269
Village	4,154,603
School Districts	1,087,867,425
Counties	64,980,359
Community Colleges	938,620
Libraries	6,528,799
Authority	<u>20,020,000</u>
Net Overlapping Debt	<u>1,408,138,440</u>
Total Direct and Net Overlapping Debt	<u><u>\$ 1,408,138,440</u></u>

Ratios:

2023 State Equalized Valuation (SEV)	\$ 20,914,314,408
2023 Taxable Value	15,169,064,251
2023 True Cash Value (TCV)	30,338,128,502
2023 Population Estimate	302,144
Net Direct Debt	-
Net Direct and Overlapping Debt	1,408,138,440
Per Capita 2023 Taxable Value	50,205
Per Capita 2023 State Equalized Valuation	69,220
Per Capita 2023 True Cash Value	100,410
Per Capita Direct Debt	-
Per Capita Direct and Overlapping Debt	4,660
Percent Net Direct Debt of 2023 Taxable Value	0.00%
Percent Net Direct and Overlapping Debt of 2023 Taxable Value	9.28%
Percent Net Direct Debt of 2023 State Equalized Valuation	0.00%
Percent Net Direct and Overlapping Debt of 2023 State Equalized Valuation	6.73%
Percent Net Direct Debt of 2023 True Cash Value	0.00%
Percent Net Direct and Overlapping Debt of 2023 True Cash Value	4.64%

Source: Michigan Municipal Advisory Council 2023, 2022 Ottawa County Audit Report, 2023 Ottawa County Equalization Report
Note: Calculation as of 6/30/2023

(1) Overlapping debt is determined by applying the percentage of the district's taxable value to the jurisdiction's entire taxable value times the jurisdiction's total tax supported debt.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Computation of Legal Debt Margin
Last Ten Fiscal Years

Year Ended June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Calculation of Debt Limit:										
State Equalized Valuation (SEV) ¹	\$ 10,952,303,550	\$ 11,812,032,747	\$ 12,438,366,229	\$ 13,388,939,597	\$ 13,885,494,938	\$ 14,948,197,397	\$ 16,163,704,880	\$ 17,218,334,509	\$ 18,568,462,753	\$ 20,914,314,408
Statutory Bonding Limit - 15% ²	1,642,845,533	1,771,804,912	1,865,754,934	2,008,340,940	2,082,824,241	2,242,229,610	2,424,555,732	2,582,750,176	2,785,269,413	3,137,147,161
Calculation of Debt subject to Limit:										
General Obligations Bonds Outstanding - June 30	4,040,000	3,510,000	2,970,000	2,415,000	1,840,000	1,250,000	-	-	-	-
Legal Debt Margin	<u>\$ 1,642,845,533</u>	<u>\$ 1,771,804,912</u>	<u>\$ 1,865,754,934</u>	<u>\$ 2,008,340,940</u>	<u>\$ 2,082,824,241</u>	<u>\$ 2,242,229,610</u>	<u>\$ 2,424,555,732</u>	<u>\$ 2,582,750,176</u>	<u>\$ 2,785,269,413</u>	<u>\$ 3,137,147,161</u>
Net debt subject to limit as % of debt limit	0.25%	0.20%	0.16%	0.12%	0.09%	0.06%	0.00%	0.00%	0.00%	0.00%

Sources:

¹ Ottawa County Equalization Department-Annual Equalization Report
Ottawa Area Intermediate School District Audit Reports

² Public Act No. 451 of Michigan 1976, Sec. 1351 provides debt limits as follows: The bonded indebtedness of a school district shall not exceed 15 percent of all assessed valuation of the district. Bonds not included in the computation of the legal debt margin are:

1. Refunding bonds
2. Any bond qualified under Article IX, Sec. 16 of the 1963 Michigan Constitution
3. Deficit budget bonds as authorized by Sec. 1356

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Ratio of Annual Debt Service for General Bonded Debt to Total Expenditures
Last Ten Fiscal Years

Year Ended June 30	Principal	Interest and Paying Agent Fees	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service to Total Expenditures
2014	\$ 520,000	\$ 137,775	\$ 657,775	\$ 101,201,363	0.65%
2015	530,000	127,375	657,375	104,071,571	0.63%
2016	540,000	116,775	656,775	106,782,533	0.62%
2017	555,000	104,625	659,625	119,185,995	0.55%
2018	575,000	87,975	662,975	120,151,181	0.55%
2019	590,000	73,600	663,600	126,361,724	0.53%
2020	1,250,000	50,000	1,300,000	141,301,802	0.92%
2021	-	-	-	145,087,843	0.00%
2022	-	-	-	157,937,298	0.00%
2023	-	-	-	173,326,335	0.00%

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

Notes: General obligation bonds were issued during fiscal year 2001.
Excludes transfers out.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Demographic and Economic Data
Last Ten Fiscal Years

Calendar Year	Estimated Population ¹	K-12 Enrollment ²	Personal Income ¹ (in thousands)	Per Capita Income ¹	Unemployment Rate ¹
2014	276,292	48,795	\$ 10,866,601	\$ 39,330	4.8%
2015	279,955	49,084	11,931,299	42,619	3.6%
2016	281,103	49,092	12,180,025	43,329	3.4%
2017	282,250	49,594	12,428,750	44,035	3.2%
2018	286,383	49,982	13,252,243	46,275	2.8%
2019	290,494	50,092	14,355,612	49,418	2.8%
2020	291,830	50,229	14,400,384	49,345	6.8%
2021	296,200	49,892	15,544,530	52,480	2.9%
2022	299,157	48,272	16,775,381	56,076	n/a
2023	302,144	48,100	18,103,694	59,918	n/a

Sources:

¹ Ottawa County 2022 Audited Financial Statements

² August State Aid Status Report for each of the years

Note: 2023 population, personal income and per capita income estimated based on prior year increase.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Ottawa County Principal Employers
For the current fiscal year and nine years ago

Employer	Type of Business	2022		2013	
		Rank (1)	Percentage of Total County Employment	Rank (1)	Percentage of Total County Employment
Gentex Corporation	Automotive Mirrors	1	3.5%	1	3.2%
MillerKnoll	Office Furniture	2	2.6%	2	3.1%
Grand Valley State University (2)	Higher Education	3	2.6%	3	2.0%
Holland Hospital	Health Care	4	1.6%	4	1.7%
Meijer	Retailer	5	1.3%	9	1.2%
Hudsonville Public Schools	Public Education	6	1.1%		
Magna Mirrors (1)	Automotive Mirrors	7	1.1%	8	1.3%
Shape Corporation	Metal Roll Forming	8	1.0%	6	1.5%
Jenison Public Schools	Public Education	9	0.9%		
Request Foods	Food Processing	10	0.9%		
County of Ottawa	Government			10	1.0%
Haworth, Inc (1)	Office Furniture			5	1.6%
Johnson Controls (1)	Automotive Interiors			7	1.3%
			16.7%		18.0%

Source: Ottawa County 2022 Audited Financial Statements.
<https://www.miottawa.org/Departments/FiscalServices/audit.htm>

(1) 2013 data includes totals of facilities located within Ottawa County and/or the City of Holland portion of Allegan County, reporting was updated in 2020 to only include the Ottawa County portions of these facilities.

(2) Total of all facilities (Ottawa, Kent & Muskegon Counties)

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Full-time Equivalent School District Employees
Last Ten Fiscal Years

Function/ program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government:										
Instructional Services	255	237	234	246	249	256	260	235	236	231
Supporting Services	206	218	252	259	263	260	262	303	334	351
Community Services	-	-	-	2	1	2	2	4	5	5
Total	461	455	486	507	513	518	524	542	575	587

Sources:

Ottawa Area Intermediate School District payroll records

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Operating Indicators
Last Ten Fiscal Years

Year Ended June 30	Enrollment ¹	Operating Expenditures ²	Cost per Pupil	Operating Revenues	Revenue per Pupil	Total Teaching Staff ³	Average Teacher Salary ⁴
2014	48,795	\$ 98,736,216	\$ 2,023	\$ 98,954,345	\$ 2,028	255	\$ 56,712
2015	49,084	103,073,663	2,100	103,257,513	2,104	237	57,563
2016	49,092	105,913,655	2,157	109,355,148	2,228	234	58,426
2017	49,594	117,457,906	2,368	112,503,660	2,268	246	59,303
2018	49,982	118,275,962	2,366	113,098,180	2,263	249	60,192
2019	50,092	123,291,334	2,461	124,951,681	2,494	256	61,095
2020	50,229	138,134,832	2,750	144,313,121	2,873	260	66,492
2021	49,892	143,930,552	2,885	149,048,623	2,987	235	66,546
2022	48,272	154,081,921	3,192	154,758,544	3,206	236	66,717
2023	48,100	168,573,654	3,505	173,119,001	3,599	231	70,333

Sources: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports
Ottawa Area Intermediate School District Accounting and Payroll Records

¹Enrollment is final State Aid Status Report Blended Count

²Operating expenditures exclude Debt Service, Capital Outlay, and Other transactions

³Total Teaching Staff includes all Instruction, Pupil Support, and Instructional Support

⁴Average Teacher Salary and Pupil-Teacher Ratio is for Basic Instructional levels only.

Building	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Careerline Tech Center (1976)										
Acreage	33.14	33.14	33.14	33.14	33.14	33.14	33.14	33.14	33.14	33.14
Square feet	176,337	176,337	176,337	176,337	176,337	176,337	176,337	176,337	176,337	176,337
Enrollment	1,332	1,340	1,394	1,449	1,485	1,498	1,438	1,464	1,509	1,562
Educational Services Building (1979)										
Acreage	29.18	29.18	29.18	29.18	29.18	29.18	29.18	29.18	29.18	29.18
Square feet	42,640	42,640	42,640	42,640	42,640	42,640	42,640	42,640	42,640	42,640
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Ottawa Area Center (1972)										
Acreage	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Square feet	71,003	71,003	71,003	71,003	71,003	71,003	71,003	71,003	71,003	71,003
Enrollment	354	359	242	245	205	198	195	159	152	143
Sheldon Pines School (1983)										
Acreage	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77
Square feet	12,008	12,008	12,008	12,008	12,008	12,008	12,008	12,008	12,008	12,008
Enrollment	37	32	27	20	22	27	28	20	21	21
Thompson M-TEC (2000)										
Acreage	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50
Square feet	34,883	34,883	34,883	34,883	34,883	34,883	34,883	34,883	34,883	34,883
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Roerink-Knoll Education Center (2016)										
Acreage				1.96	1.96	1.96	1.96	1.96	1.96	1.96
Square feet				14,846	14,846	14,846	14,846	14,846	14,846	14,846
Enrollment				23	34	60	59	60	59	62
Ottawa Area ISD/Elliot Ave Bldg (2016)										
Acreage				0.60	0.60	0.60	0.60	0.60	0.60	0.60
Square feet				9,044	9,044	9,044	9,044	9,044	9,044	9,044
Enrollment				42	40	40	40	45	50	44
Ottawa Area ISD/Felch St Bldg (2021)										
Acreage									4.17	4.17
Square feet									27,841	27,841
Enrollment									NA	NA

Sources:

Ottawa Area Intermediate School District Maintenance and Operations Department
Ottawa Area Intermediate School District Pupil Accounting

Note: Prior to 2015/16 school year, OAC and YAS (Young Adult Services) numbers were combined.

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**OTTAWA AREA INTERMEDIATE SCHOOL
DISTRICT**

**ADDITIONAL REPORTS REQUIRED BY
THE UNIFORM GUIDANCE**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education of the
Ottawa Area Intermediate School District

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Ottawa Area Intermediate School District's basic financial statements and have issued our report thereon dated October 24, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ottawa Area Intermediate School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ottawa Area Intermediate School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ottawa Area Intermediate School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ottawa Area Intermediate School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Manes Costeiran PC

October 24, 2023



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education of the
Ottawa Area Intermediate School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ottawa Area Intermediate School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Ottawa Area Intermediate School District's major federal programs for the year ended June 30, 2023. Ottawa Area Intermediate School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Ottawa Area Intermediate School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ottawa Area Intermediate School District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Ottawa Area Intermediate School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Ottawa Area Intermediate School District' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ottawa Area Intermediate School District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ottawa Area Intermediate School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Ottawa Area Intermediate School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ottawa Area Intermediate School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Ottawa Area Intermediate School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 24, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Manes Costerian PC

October 31, 2023

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN	Pass-through Number	Approved Amount	Accrued 7/1/2022	Prior Year Expenditures (memorandum only)	Adjustments	Current Year Receipts	Current Year Expenditures	Accrued 6/30/2023	Current Year Cash Transferred to Subrecipients
U.S. Department of Agriculture										
Passed through Michigan Department of Education COVID-19 Pandemic EBT Local Level Costs	10.649	220980-2022	\$ 628	\$ -	\$ -	\$ -	\$ 628	\$ 628	\$ -	\$ -
Total U.S. Department of Agriculture			628	-	-	-	628	628	-	-
U.S. Department of Education										
Passed through Michigan Department of Education Title I Part D - State Agency Program for Neglected and Delinquent Children and Youth	84.013	221700-2122	10,286	10,286	10,286	-	10,286	-	-	562
Title I Regional Assistance - Grants to Local Educational Agencies	84.010	221570-2122 231570-2223	317,347 247,597	49,831 -	155,803 -	-	101,125 90,575	51,294 163,983	-	100,914 80,266
Total ALN 84.010			564,944	49,831	155,803	-	191,700	215,277	73,408	181,180
Title III Part A - English Language Acquisition State Grants	84.365	220580-2122 230580-2223	102,145 99,704	46,771 -	57,265 -	-	63,481 39,046	16,710 58,819	-	42,395 38,585
Total ALN 84.365			201,849	46,771	57,265	-	102,527	75,529	19,773	80,980
Special Education Cluster										
Special Education Grants to States IDEA Flowthrough	84.027	210450-2021 220450-2122 230450-2223	11,733,843 11,960,698 12,221,335	14,462 5,200,217 -	21,941 11,898,390 -	-	14,462 5,234,854 6,197,967	-	-	14,351 4,089,252 6,799,416
COVID-19 IDEA State Initiated Transition (ARP) General Supervision	84.027X	221280-2122 220493-2122-GSG 230493-2223-GSG	2,745,269 165,000 181,500	824,293 45,931 -	1,813,219 165,000 -	-	1,327,606 45,931 172,524	932,050 -	428,737 -	1,418,149 -
Total ALN 84.027			39,007,645	6,084,903	13,898,550	-	12,993,344	13,272,635	6,364,194	12,321,168
Special Education Preschool Grants	84.173	220460-2122 230460-2223	290,092 299,885	179,660 -	268,904 -	-	191,672 146,990	21,187 297,112	9,175 150,122	101,289 173,261
COVID-19 IDEA Preschool ARP	84.173X	221285-2122	214,019	93,527	158,646	-	125,649	55,372	23,250	127,177
Total ALN 84.173			803,996	273,187	427,550	-	464,311	373,671	182,547	401,727
Total Special Education Cluster			39,811,641	6,358,090	14,326,100	-	13,457,655	13,646,306	6,546,741	12,722,895

The accompanying notes are an integral part of this schedule.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN	Pass-through Number	Approved Amount	Accrued 7/1/2022	Prior Year Expenditures (memorandum only)	Adjustments	Current Year Receipts	Current Year Expenditures	Accrued 6/30/2023	Current Year Cash Transferred to Subrecipients
<u>U.S. Department of Education (continued)</u>										
Passed through Michigan Department of Education (continued)										
Career and Technical Education -										
Basic Grants to States	84.048	223520-221212 233520-231212	\$ 460,440 421,017	\$ 86,059 -	\$ 460,440 -	\$ - -	\$ 86,059 421,017	\$ - 421,017	\$ - -	\$ - -
Total ALN 84.048			881,457	86,059	460,440	-	507,076	421,017	-	-
Special Education - Grants for Infants and Families	84.181	221340-2122 231340-2223	334,980 322,964	82,128 -	334,979 -	- -	82,128 315,563	- 315,637	- 74	- -
COVID-19 Special Education - Grants for Infants and Families ARP	84.181X	221283-EOARP	152,904	15,442	135,121	-	33,225	17,783	-	-
Total ALN 84.181			810,848	97,570	470,100	-	430,916	333,420	74	-
Education for Homeless Children and Youth	84.196	222320-2122 232320-2223	87,835 90,686	31,954 -	47,438 -	- -	47,062 32,366	15,108 43,607	- 11,241	- 6,656
Total ALN 84.196			178,521	31,954	47,438	-	79,428	58,715	11,241	6,656
Coronavirus State and Local Fiscal Recovery Funds										
COVID-19 31p - TRAILS	21.027	232425-2223	892,857	-	-	-	-	267,857	267,857	-
Education Stabilization Fund										
COVID-19 Homeless Students ARP	84.425W	211010-2122 211013-2223	30,065 26,851	21,025 -	30,038 -	- -	21,052 -	27 26,851	- 26,851	9,594 -
Total ALN 84.425			56,916	21,025	30,038	-	21,052	26,878	26,851	9,594
Direct Program										
Rural Education	84.358A	S358A221559	38,638	-	-	-	38,638	38,638	-	-
Total U.S. Department of Education			43,447,957	6,701,586	15,557,470	-	14,839,278	15,083,637	6,945,945	13,001,867
<u>U.S. Department of Treasury</u>										
Coronavirus State and Local Fiscal Recovery Funds										
COVID-19 Great Start Readiness Grants	21.027	222390-GSRP2122 222390-GSRP2122C	1,327,570 725,630	1,056,320 -	1,056,320 -	- -	1,327,570 634,754	271,250 725,630	- 90,876	182,166 331,100
Total U.S. Department of Treasury			2,053,200	1,056,320	1,056,320	-	1,962,324	996,880	90,876	513,266

The accompanying notes are an integral part of this schedule.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN	Pass-through Number	Approved Amount	Accrued 7/1/2022	Prior Year Expenditures (memorandum only)	Adjustments	Current Year Receipts	Current Year Expenditures	Accrued 6/30/2023	Current Year Cash Transferred to Subrecipients
<u>U.S. Department of Health and Human Services</u>										
Passed through Ottawa County										
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	NU50CK00510	\$ 64,587	\$ 5,346	\$ 47,507	\$ -	\$ 5,346	\$ -	\$ -	\$ -
Passed through Michigan Department of Education										
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	232810-HRA2023	224,000	-	-	-	160,650	160,650	-	-
Total ALN 93.323			288,587	5,346	47,507	-	165,996	160,650	-	-
Child Care Development Fund Cluster										
COVID-19 Child Care and Development Block Grant	93.575	2131AC-2122	10,209	-	-	-	10,209	10,209	-	10,209
		2131AC-2223	25,952	-	-	-	25,952	25,952	-	25,952
			36,161	-	-	-	36,161	36,161	-	36,161
Passed through Calhoun Intermediate School District										
COVID-19 Child Care and Development Block Grant	93.575	16-99001-2122	364,000	-	263,361	-	85,951	85,951	-	-
		16-99001-2223	379,000	-	-	-	264,774	264,774	-	-
			743,000	-	263,361	-	350,725	350,725	-	-
Total ALN 93.575			779,161	-	263,361	-	386,886	386,886	-	36,161
Passed through Allegan County										
ESSA Preschool Development Grant Birth through Five	93.434	223962-PDG54.13	8,461	-	-	-	8,456	8,456	-	-
Passed through the United Way										
ESSA Preschool Development Grant Birth through Five	93.434	223962-PDG54.13	5,576	-	-	-	-	300	300	-
Passed through Michigan Department of Education										
Every Student Succeeds Act/Preschool Development (TA)	93.434	213910-3.622	32,500	4,566	15,129	-	21,938	17,372	-	-
Total ALN 93.434			46,537	4,566	15,129	-	30,394	26,128	300	-
Passed through Michigan Department of Community Health										
Medicaid Cluster										
Medical Assistance Program	93.778	2223	134,825	-	-	-	134,825	134,825	-	100,393
Substance Abuse and Mental Health Services - Project Aware										
	93.243	6H79SM086340-01M001	1,008,074	-	-	-	159,483	646,880	487,397	-
Total passed through Michigan Department of Community Health			1,142,899	-	-	-	294,308	781,705	487,397	100,393
Total U.S. Department of Health and Human Services			2,257,184	9,912	325,997	-	877,584	1,355,369	487,697	136,554
Total Federal Awards			\$ 47,758,969	\$ 7,767,818	\$ 16,939,787	\$ -	\$ 17,679,814	\$ 17,436,514	\$ 7,524,518	\$ 13,651,687

The accompanying notes are an integral part of this schedule.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PASS THROUGH AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN	Project Number	Subrecipient Award/ Contract Amount	Due to (from) Subrecipient 7/1/2022	(Memo only) Subrecipient Prior Year Expenditures	Subrecipient Current Year Expenditures	Current Year Cash Transferred to Subrecipient	Due to (from) Subrecipient 6/30/2023
<u>U.S. Department of Education</u>								
Passed through the Michigan Department of Education								
Title I Part D - Passed through to:								
Zeeland Public Schools	84.013	221700-2122	\$ 10,286	\$ 562	\$ 10,286	\$ -	\$ 562	\$ -
Title III Part A - Passed through to:								
Allegan Public Schools	84.365	220580-2122	3,450	1,426	1,426	-	1,426	-
Allendale Public Schools			19,947	1,270	1,996	15,451	16,721	-
Coopersville Area Public School District			8,611	-	8,611	-	-	-
Flint School District of the City of Flint			12,331	8,022	8,022	-	8,022	-
Hamilton Community Schools			7,948	5,581	7,948	-	5,581	-
Hopkins Public Schools			4,798	-	381	-	-	-
Hudsonville Public School District			15,644	7,291	13,901	-	7,291	-
iCademy			1,609	-	-	-	-	-
Innocademy			1,136	1,136	1,136	-	1,136	-
Innocademy Allegan Campus			914	-	-	814	814	-
Martin Public Schools			3,013	-	-	-	-	-
Plainwell Community Schools			9,652	1,404	1,404	-	1,404	-
Wayland Union Schools			5,583	-	5,583	-	-	-
			<u>94,636</u>	<u>26,130</u>	<u>50,408</u>	<u>16,265</u>	<u>42,395</u>	<u>-</u>
Title III Part A - Passed through to:								
Allegan Public Schools	84.365	230580-2223	6,146	-	-	4,212	4,212	-
Allendale Public Schools			13,592	-	-	2,278	2,278	-
Coopersville Area Public School District			8,736	-	-	8,736	7,757	979
Flint School District of the City of Flint			12,162	-	-	5,162	-	5,162
Hamilton Community Schools			6,478	-	-	6,478	4,470	2,008
Hopkins Public Schools			5,860	-	-	1,408	1,408	-
Hudsonville Public School District			12,639	-	-	12,639	12,639	-
iCademy			3,571	-	-	3,571	-	3,571
Innocademy			883	-	-	883	-	883
Innocademy Allegan Campus			588	-	-	-	-	-
Martin Public Schools			4,633	-	-	2,776	2,776	-
Plainwell Community Schools			9,141	-	-	-	-	-
Wayland Union Schools			6,773	-	-	3,045	3,045	-
			<u>91,202</u>	<u>-</u>	<u>-</u>	<u>51,188</u>	<u>38,585</u>	<u>12,603</u>
Title I Regional Assistance - Passed through to:								
iCademy Global	84.010	221570-2122	307,347	49,831	155,803	51,083	100,914	-
iCademy Global		231570-2223	234,419	-	-	153,673	80,266	73,407
			<u>541,766</u>	<u>49,831</u>	<u>155,803</u>	<u>204,756</u>	<u>181,180</u>	<u>73,407</u>

The accompanying notes are an integral part of this schedule.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PASS THROUGH AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN	Project Number	Subrecipient Award/ Contract Amount	Due to (from) Subrecipient 7/1/2022	(Memo only) Subrecipient Prior Year Expenditures	Subrecipient Current Year Expenditures	Current Year Cash Transferred to Subrecipient	Due to (from) Subrecipient 6/30/2023
U.S. Department of Education (continued)								
Passed through the Michigan Department of Education								
Special Education Cluster								
IDEA Flowthrough - Passed through to:								
84.027	210450-2021							
			\$ 513,634	\$ -	\$ 111	\$ -	\$ -	\$ -
			210,073	-	-	-	-	-
			610,636	-	-	-	-	-
			165,566	-	-	-	-	-
			1,589,790	3,818	3,818	-	3,818	-
			605,295	-	-	-	-	-
			1,178,545	4,163	4,163	-	4,163	-
			1,650,320	-	-	-	-	-
			65,870	-	-	-	-	-
			71,211	-	-	-	-	-
			969,339	6,370	6,370	-	6,370	-
			144,203	-	-	-	-	-
			436,169	-	-	-	-	-
			81,893	-	-	-	-	-
			67,651	-	-	-	-	-
			94,355	-	-	-	-	-
			1,333,430	-	-	-	-	-
			1,418,883	-	-	-	-	-
			<u>11,206,863</u>	<u>14,351</u>	<u>14,462</u>	<u>-</u>	<u>14,351</u>	<u>-</u>
Passed through the Michigan Department of Education								
Special Education Cluster								
IDEA Flowthrough - Passed through to:								
84.027	220450-2122							
			573,404	99,520	573,404	-	99,520	-
			204,928	204,928	204,928	-	204,928	-
			660,105	128,442	660,105	-	128,442	-
			169,460	97,793	169,460	-	97,793	-
			1,556,665	352,270	1,542,051	14,614	366,884	-
			675,868	476,135	653,533	22,335	476,135	22,335
			1,109,369	96,800	1,105,205	4,164	100,964	-
			1,684,744	622,757	1,684,744	-	622,757	-
			114,287	35,853	114,287	-	35,853	-
			57,143	14,492	57,143	-	14,492	-
			997,053	327,600	997,053	-	327,600	-
			171,430	28,275	171,430	-	28,275	-
			500,497	54,092	500,497	-	54,092	-
			108,375	64,491	103,039	5,336	69,827	-
			43,350	43,350	43,350	-	43,350	-
			106,405	18,501	106,405	-	18,501	-
			1,418,732	609,559	1,413,695	5,038	614,597	-
			1,268,977	774,420	1,258,155	10,822	785,242	-
			<u>11,420,792</u>	<u>4,049,278</u>	<u>11,358,484</u>	<u>62,309</u>	<u>4,089,252</u>	<u>22,335</u>

The accompanying notes are an integral part of this schedule.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PASS THROUGH AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN	Project Number	Subrecipient Award/ Contract Amount	Due to (from) Subrecipient 7/1/2022	(Memo only) Subrecipient Prior Year Expenditures	Subrecipient Current Year Expenditures	Current Year Cash Transferred to Subrecipient	Due to (from) Subrecipient 6/30/2023
U.S. Department of Education (continued)								
Passed through the Michigan Department of Education								
Special Education Cluster								
IDEA Flowthrough - Passed through to:								
84.027	230450-2223							
			\$ 619,189	\$ -	\$ -	\$ 619,189	\$ 506,778	\$ 112,411
			229,329	-	-	229,329	-	229,329
			699,454	-	-	699,454	584,632	114,822
			173,908	-	-	162,783	-	162,783
			1,534,883	-	-	1,515,247	1,048,502	466,745
			649,766	-	-	649,766	-	649,766
			1,186,779	-	-	1,099,226	-	1,099,226
			1,767,258	-	-	1,767,258	1,052,870	714,388
			72,621	-	-	72,621	39,895	32,726
			61,154	-	-	61,154	38,824	22,330
			986,116	-	-	986,116	627,579	358,537
			181,552	-	-	181,552	151,931	29,621
			479,681	-	-	479,681	415,800	63,881
			116,576	-	-	110,333	110,333	-
			57,332	-	-	57,332	55,653	1,679
			93,643	-	-	93,643	63,379	30,264
			1,486,817	-	-	1,486,817	1,310,382	176,435
			1,324,575	-	-	1,324,575	792,858	531,717
			<u>11,720,633</u>	<u>-</u>	<u>-</u>	<u>11,596,076</u>	<u>6,799,416</u>	<u>4,796,660</u>
Passed through the Michigan Department of Education								
Special Education Cluster								
IDEA Flowthrough ARP - Passed through to:								
84.027X	221280-2122							
			126,635	-	126,635	-	-	-
			47,036	-	-	47,037	26,807	20,230
			151,510	-	-	151,510	140,560	10,950
			38,895	-	-	38,895	-	38,895
			357,292	143,809	357,292	-	143,809	-
			155,128	-	-	155,128	114,856	40,272
			254,627	73,117	73,117	181,510	187,115	67,512
			391,665	144,075	391,665	-	144,075	-
			26,231	26,231	26,231	-	26,231	-
			13,115	13,115	13,115	-	13,115	-
			228,848	87,007	228,848	-	87,007	-
			39,347	5,375	39,347	-	5,375	-
			114,876	-	-	114,876	99,617	15,259
			24,874	-	-	24,874	24,874	-
			9,949	-	-	9,949	9,949	-
			24,422	20,525	20,525	3,897	24,422	-
			325,635	157,955	325,635	-	157,955	-
			291,262	86,887	86,887	204,375	212,382	78,880
			<u>2,621,347</u>	<u>758,096</u>	<u>1,689,297</u>	<u>932,051</u>	<u>1,418,149</u>	<u>271,998</u>

The accompanying notes are an integral part of this schedule.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PASS THROUGH AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN	Project Number	Subrecipient Award/ Contract Amount	Due to (from) Subrecipient 7/1/2022	(Memo only) Subrecipient Prior Year Expenditures	Subrecipient Current Year Expenditures	Current Year Cash Transferred to Subrecipient	Due to (from) Subrecipient 6/30/2023
<u>U.S. Department of Education (continued)</u>								
Passed through the Michigan Department of Education								
Special Education Cluster								
Preschool Incentive - Passed through to:								
Allendale Public Schools	84.173	220460-2122	\$ 16,061	\$ 6,313	\$ 16,061	\$ -	\$ 6,313	\$ -
Coopersville Area Public Schools			16,403	2,160	16,403	-	2,160	-
Grand Haven Public Schools			28,021	5,664	28,021	-	5,664	-
Hamilton Community Schools			11,960	4,101	11,960	-	4,101	-
Holland Public Schools			39,692	4,072	39,692	-	4,072	-
Hudsonville Public Schools			34,513	12,850	34,513	-	12,850	-
iCademy Global			5,468	1,476	5,468	-	1,476	-
Innocademy			1,367	340	1,367	-	340	-
Jenison Public Schools			30,755	11,948	30,755	-	11,948	-
Saugatuck Public Schools			1,969	-	1,969	-	-	-
Spring Lake Public Schools			14,694	-	-	14,694	14,694	-
West Ottawa Public Schools			45,791	21,211	45,791	-	21,211	-
Zeeland Public Schools			27,679	16,460	27,679	-	16,460	-
			<u>274,373</u>	<u>86,595</u>	<u>259,679</u>	<u>14,694</u>	<u>101,289</u>	<u>-</u>
Passed through the Michigan Department of Education								
Special Education Cluster								
Preschool Incentive - Passed through to:								
Allendale Public Schools	84.173	230460-2223	15,254	-	-	15,254	15,254	-
Black River Public Schools			1,387	-	-	-	-	-
Coopersville Area Public Schools			14,561	-	-	14,561	13,610	951
Grand Haven Public Schools			28,775	-	-	28,082	19,369	8,713
Hamilton Community Schools			11,440	-	-	11,440	-	11,440
Holland Public Schools			43,683	-	-	43,683	-	43,683
Hudsonville Public Schools			39,869	-	-	39,869	24,003	15,866
iCademy Global			3,120	-	-	3,120	-	3,120
Innocademy			347	-	-	347	-	347
Jenison Public Schools			26,348	-	-	26,348	15,959	10,389
Saugatuck Public Schools			1,387	-	-	1,387	-	1,387
Spring Lake Public Schools			11,441	-	-	11,441	9,052	2,389
Vanderbilt Charter Academy			2,080	-	-	2,080	2,080	-
Walden Green Day School			693	-	-	-	-	-
West Michigan Academy of Arts and Academies			347	-	-	347	-	347
West Ottawa Public Schools			54,776	-	-	54,776	47,074	7,702
Zeeland Public Schools			37,443	-	-	37,443	26,860	10,583
			<u>292,951</u>	<u>-</u>	<u>-</u>	<u>290,178</u>	<u>173,261</u>	<u>116,917</u>

The accompanying notes are an integral part of this schedule.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PASS THROUGH AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN	Project Number	Subrecipient Award/ Contract Amount	Due to (from) Subrecipient 7/1/2022	(Memo only) Subrecipient Prior Year Expenditures	Subrecipient Current Year Expenditures	Current Year Cash Transferred to Subrecipient	Due to (from) Subrecipient 6/30/2023
U.S. Department of Education (continued)								
Passed through the Michigan Department of Education								
Special Education Cluster								
Preschool Incentive - Passed through to:								
	84.173X	221285-2122						
Allendale Public Schools			\$ 11,332	\$ -	\$ 11,332	\$ -	\$ -	\$ -
Coopersville Area Public Schools			12,362	-	-	10,587	8,812	1,775
Grand Haven Public Schools			21,119	21,119	21,119	-	21,119	-
Hamilton Community Schools			9,014	-	-	9,014	-	9,014
Holland Public Schools			26,012	7,982	7,982	18,030	26,012	-
Hudsonville Public Schools			26,785	10,267	26,785	-	10,267	-
iCademy Global			4,121	4,121	4,121	-	4,121	-
Innocademy			1,030	1,030	1,030	-	1,030	-
Jenison Public Schools			23,179	9,159	23,179	-	9,159	-
Saugatuck Public Schools			773	-	773	-	-	-
Spring Lake Public Schools			11,074	-	-	10,217	9,359	858
West Ottawa Public Schools			34,511	16,437	34,511	-	16,437	-
Zeeland Public Schools			20,861	20,861	20,861	-	20,861	-
			<u>202,173</u>	<u>90,976</u>	<u>151,693</u>	<u>47,848</u>	<u>127,177</u>	<u>11,647</u>
			<u>37,739,132</u>	<u>4,999,296</u>	<u>13,473,615</u>	<u>12,943,156</u>	<u>12,722,895</u>	<u>5,219,557</u>
Total Special Education Cluster Allocation								
			<u>37,739,132</u>	<u>4,999,296</u>	<u>13,473,615</u>	<u>12,943,156</u>	<u>12,722,895</u>	<u>5,219,557</u>
Education for Homeless Children & Youths - Passed through to:								
	84.425W	211010-2122						
Allendale Public Schools			2,514	-	2,514	-	-	-
Black River Public Schools			820	-	-	-	-	-
Coopersville Area Public Schools			1,367	-	1,367	-	-	-
Grand Haven Public Schools			9,727	6,062	9,726	-	6,062	-
Hamilton Public Schools			3,552	638	638	-	638	-
Holland Public Schools			6,886	266	5,615	-	266	-
Hudsonville Public Schools			4,208	-	3,645	-	-	-
Jenison Public Schools			2,077	752	1,502	-	752	-
Saugatuck Public Schools			929	-	929	-	-	-
Spring Lake Public Schools			1,257	-	700	-	-	-
Vanderbilt Charter Academy			219	-	-	-	-	-
West Ottawa Public Schools			3,716	1,876	1,876	-	1,876	-
Zeeland Public Schools			2,022	-	1,525	-	-	-
			<u>39,294</u>	<u>9,594</u>	<u>30,037</u>	<u>-</u>	<u>9,594</u>	<u>-</u>

The accompanying notes are an integral part of this schedule.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PASS THROUGH AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN	Project Number	Subrecipient Award/ Contract Amount	Due to (from) Subrecipient 7/1/2022	(Memo only) Subrecipient Prior Year Expenditures	Subrecipient Current Year Expenditures	Current Year Cash Transferred to Subrecipient	Due to (from) Subrecipient 6/30/2023
<u>U.S. Department of Education (concluded)</u>								
Passed through the Michigan Department of Education								
Education for Homeless Children & Youths - Passed through to:								
	84.196	232320-2223						
Allendale Public Schools			\$ 808	\$ -	\$ -	\$ 808	\$ 808	\$ -
Black River Public Schools			356	-	-	-	-	-
Coopersville Area Public Schools			615	-	-	615	-	615
Grand Haven Public Schools			4,654	-	-	4,443	4,443	-
Hamilton Community Schools			1,164	-	-	1,164	-	1,164
Holland Public Schools			3,394	-	-	3,394	-	3,394
Hudsonville Public Schools			1,810	-	-	1,100	-	1,100
iCademy Global			65	-	-	-	-	-
Innocademy			162	-	-	-	-	-
Jenison Public Schools			776	-	-	337	337	-
Saugatuck Public Schools			647	-	-	-	-	-
Spring Lake Public Schools			356	-	-	356	356	-
West Ottawa Public Schools			-	-	-	-	-	-
Zeeland Public Schools			712	-	-	712	712	-
			<u>15,519</u>	<u>-</u>	<u>-</u>	<u>12,929</u>	<u>6,656</u>	<u>6,273</u>
<u>U.S. Department of Treasury</u>								
COVID-19 Great Start Readiness Grants								
	21.027	222390-GSRP2122						
Allendale Childcare Center			18,674	-	18,674	-	-	-
Holland Public Schools			432,000	54,388	305,638	126,362	180,750	-
Hudsonville Public Schools			144,000	31,641	111,916	32,084	63,725	-
Jenison Public Schools			128,000	93,805	93,805	34,195	128,000	-
Lakeshore Little People's Place			128,000	5,404	95,194	(7,876)	(2,472)	-
Outdoor Discovery Center			125,000	-	100,000	25,000	25,000	-
Roundabout Playschool			133,000	-	64,433	55,847	55,847	-
West MI Arts & Academies			133,000	11,267	91,813	41,187	52,454	-
West Ottawa Public Schools			10,000	-	-	9,962	9,962	-
			<u>1,251,674</u>	<u>196,505</u>	<u>881,473</u>	<u>316,761</u>	<u>513,266</u>	<u>-</u>
Total COVID-19 Great Start Readiness Grants								

The accompanying notes are an integral part of this schedule.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PASS THROUGH AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN	Project Number	Subrecipient Award/ Contract Amount	Due to (from) Subrecipient 7/1/2022	(Memo only) Subrecipient Prior Year Expenditures	Subrecipient Current Year Expenditures	Current Year Cash Transferred to Subrecipient	Due to (from) Subrecipient 6/30/2023
<u>U.S. Department of Health and Human Services</u>								
Passed through the Michigan Department of Education Childcare and Development Fund Cluster COVID-19 Child Care and Development Block Grant								
Passed through to:	93.575	2131AC						
Little Kingdom Warrior			\$ 25,000	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -
Milestones			11,161	-	-	11,161	11,161	-
			<u>36,161</u>	<u>-</u>	<u>-</u>	<u>36,161</u>	<u>36,161</u>	<u>-</u>
Total passed through the Michigan Department of Education			<u>39,819,670</u>	<u>5,281,918</u>	<u>14,601,622</u>	<u>13,581,216</u>	<u>13,551,294</u>	<u>5,311,840</u>
Passed through the Michigan Department of Community Health Medicaid Cluster Medical Assistance Program								
Passed through to:	93.778	2223						
Allendale Public Schools			5,318	-	-	5,318	5,318	-
Coopersville Public Schools			5,623	-	-	5,623	5,623	-
Grand Haven Public Schools			14,277	-	-	14,277	14,277	-
Hamilton Community Schools			5,676	-	-	5,676	5,676	-
Holland Public Schools			10,542	-	-	10,542	10,542	-
Hudsonville Public Schools			10,066	-	-	10,066	10,066	-
Jenison Public			17,041	-	-	17,041	17,041	-
Saugatuck Public Schools			698	-	-	698	698	-
Spring Lake Public			4,507	-	-	4,507	4,507	-
West Ottawa Public Schools			8,835	-	-	8,835	8,835	-
Zeeland Public Schools			17,810	-	-	17,810	17,810	-
			<u>100,393</u>	<u>-</u>	<u>-</u>	<u>100,393</u>	<u>100,393</u>	<u>-</u>
Total Medicaid Assistance Program Cluster			<u>136,554</u>	<u>-</u>	<u>-</u>	<u>136,554</u>	<u>136,554</u>	<u>-</u>
Total passed through the Michigan Department of Health and Human Services			<u>39,956,224</u>	<u>5,281,918</u>	<u>14,601,622</u>	<u>13,717,770</u>	<u>13,687,848</u>	<u>5,311,840</u>
Total federal funds passed through to subrecipients			<u>\$ 39,956,224</u>	<u>\$ 5,281,918</u>	<u>\$ 14,601,622</u>	<u>\$ 13,717,770</u>	<u>\$ 13,687,848</u>	<u>\$ 5,311,840</u>

The accompanying notes are an integral part of this schedule.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Ottawa Area Intermediate School District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Ottawa Area Intermediate School District it is not intended to and does not present the financial position or changes in net position of Ottawa Area Intermediate School District.

Management has utilized NexSys, the Cash Management System, and the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are now allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. Ottawa Area Intermediate School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The expenditures on the schedule of expenditures of federal awards do not include local match.

NOTE 3 - RECONCILIATION WITH AUDITED FINANCIAL STATEMENTS

Reconciliation of federal revenues reported on the financial statements with expenditures per the schedule of expenditures of federal awards:

General fund	\$	2,900,946
Special Education Fund		14,114,551
Vocational Education Fund		421,017
Total federal revenue in the fund financial statements	\$	17,436,514

NOTE 4 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule of expenditures of federal awards, Ottawa Area Intermediate School District provided federal awards to subrecipients reported in the enclosed schedule of pass-through amounts.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE - 5 PROGRAM CLUSTERS

Program clusters contained within the schedule are as follows:

The Special Education Cluster consists of Assistance Listing #84.027 and 84.173. The Child Care Development Fund Cluster consists of Assistance Listing #93.575. The Medicaid Cluster consists of Assistance Listing #93.778.

NOTE 6 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

	<u>Federal Assistance Listing Number</u>	<u>Current Year Expenditures</u>
Passed through		
U.S. Department of Education	21.027	\$ 267,857
U.S. Department of Treasury	21.027	<u>996,880</u>
 Total Coronavirus State and Local Fiscal Recovery Funds		 <u><u>\$ 1,264,737</u></u>

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- | | | | | |
|---|---|-----------|----------------------------|--|
| ➤ | Material weakness(es) identified? | _____ Yes | <u> X </u> No | |
| ➤ | Significant deficiency(ies) identified? | _____ Yes | <u> X </u> None reported | |
| | Noncompliance material to financial statements noted? | _____ Yes | <u> X </u> No | |

Federal Awards

Internal control over major programs:

- | | | | | |
|---|---|-----------|----------------------------|--|
| ➤ | Material weakness(es) identified? | _____ Yes | <u> X </u> No | |
| ➤ | Significant deficiency(ies) identified? | _____ Yes | <u> X </u> None reported | |

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?

_____ Yes X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster
21.027	Coronavirus State and Local Fiscal Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Question Costs

None

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

There were no findings disclosed for the past year.



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October 24, 2023

To the Board of Education of the
Ottawa Area Intermediate School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Ottawa Area Intermediate School District are described in Note 1 to the financial statements. During fiscal year 2023, the District implemented Governmental Accounting Standard No. 96, *Subscription-based Information Technology Arrangements*. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Estimates have been used to calculate the net pension liability and the net other postemployment benefit liability. We evaluated the key factors and assumptions used to develop the balance of the net pension liability and net other postemployment benefit liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate in calculating the liability for employee compensated absences. We evaluated the key factors and assumptions used to develop the balance of employee compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s determination of the estimated life span of the capital assets. We evaluated the key factors and assumptions used by management to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole. In addition, certain amounts included in capital assets have been estimated based on an outside appraisal company.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any sensitive disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 24, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) which are required and supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompany the financial statements but are not RSI. With respect to this other supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the statistical information, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

A separate management letter was not issued.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of Ottawa Area Intermediate School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maney Costeiran PC