

Walden Green Montessori
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE F—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021 is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Debt Service Fund	General Fund	<u>\$ 57,500</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

The General Fund transferred \$316,250 to the Debt Service Fund to fund debt service payments.

NOTE G—LONG-TERM OBLIGATIONS

The School issues bonds, notes and other contractual commitments to provide for the acquisition, construction and improvement of major capital facilities and for the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School.

The following is a summary of long-term obligations activity for the School for the year ended June 30, 2021:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due within</u> <u>one year</u>
Governmental activities					
Bonds	\$ 3,350,000	\$ -	\$ 120,000	\$ 3,230,000	\$ 130,000
Discount	(128,941)	-	(8,144)	(120,797)	-
	<u>\$ 3,221,059</u>	<u>\$ -</u>	<u>\$ 111,856</u>	<u>\$ 3,109,203</u>	<u>\$ 130,000</u>

The governmental activities bonds are secured by future state aid of the School. If the School defaults, the bonds are callable.

General obligation bonds consist of the following:

	<u>Interest</u> <u>Rate</u>	<u>Date of</u> <u>Maturity</u>	<u>Balance</u>
General obligation bonds			
2006 Limited Obligation Revenue Bond	5.25-5.625%	April 2036	<u>\$ 3,230,000</u>

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NOTE G—LONG-TERM OBLIGATIONS—Continued

The annual requirements of principal and interest to amortize the bonds as of June 30, 2021 follow:

Year ending June 30,	Principal	Interest	Total
2022	\$ 130,000	\$ 176,838	\$ 306,838
2023	135,000	169,713	304,713
2024	145,000	162,013	307,013
2025	150,000	153,900	303,900
2026	160,000	145,375	305,375
2027-2031	950,000	577,863	1,527,863
2032-2036	1,560,000	270,141	1,830,141
	\$ 3,230,000	\$ 1,655,843	\$4,885,843

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

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

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

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

The System’s financial statements are available on the ORS website at Michigan.gov/ORSSchools.

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. Depending on the plan option selected (Basic, Member Investment Plan (MIP), Pension Plus, Pension Plus 2), member retirement benefits for DB plan members are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements.