Walden Green Montessori

**REPORT ON FINANCIAL STATEMENTS**
(with required supplementary information)

Year ended June 30, 2023

Walden Green Montessori

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors
Walden Green Montessori
Spring Lake, Michigan

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Walden Green Montessori (the School) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School'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 and each major fund of the School, as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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.

**Report on the Audit of the Financial Statements—Continued**

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School'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 the School'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 budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2023, on our consideration of the School'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 the School'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 School's internal control over financial reporting and compliance.

Brickley DeLong, P.C.

Muskegon, Michigan
October 27, 2023

This section of Walden Green Montessori's annual financial report presents our discussion and analysis of the School's financial performance during the year ended June 30, 2023. Please read it in conjunction with the School's financial statements, which immediately follow this section.

**Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Walden Green Montessori financially as a whole. The School-wide financial statements provide information about the activities of the whole School, presenting both an aggregate view of the School's finances and a longer-term view of those finances. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the School's operations in more detail than the School-wide financial statements. The basic financial statements are comprised of the following elements:

**Management's Discussion and Analysis (MD&A)**
**Basic Financial Statements**
School-wide Financial Statements
Fund Financial Statements
Notes to Financial Statements
**Required Supplementary Information**
Budgetary Information for the General Fund

**Reporting the School as a Whole—School-wide Financial Statements**

Operating profit or loss for the fiscal year is one of the most important questions asked about the School. The Statement of Activities reports information on the School as a whole and its activities in a way that helps answer this question. We prepare this statement using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and Statement of Activities report the School's net position—the difference between assets/deferred outflows and liabilities/deferred inflows—as one way to measure the School's financial health or financial position. Over time, increases or decreases in the School's net position—as reported in the Statement of Activities—are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School's operating results. However, the School's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School.

The Statement of Net Position and Statement of Activities report the governmental activities for the School, which encompass all of the School's services, including instruction and support services. Unrestricted state aid (foundation allowance revenue) and state and federal grants finance most of these activities.

**Reporting the School's Most Significant Funds—Fund Financial Statements**

The School's fund financial statements provide detailed information about the most significant funds—not the School as a whole. Walden Green Montessori used two funds in the current year – the General Fund and the Debt Service Fund. The funds use the following accounting approach:

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

## The School as a Whole

Recall that the Statement of Net Position provides the perspective of the School as a whole. The following table provides a summary of the School's net position as of June 30, 2023 and 2022.

| **Statement of Net Position** | **2023** | **2022** |
|---|---|---|
| Assets | | |
| Current assets | $ 1,842,816 | $ 2,109,306 |
| Noncurrent assets | 2,654,911 | 3,041,966 |
| **Total assets** | 4,497,727 | 5,151,272 |
| Deferred Outflows of Resources | | |
| Related to other postemployment benefits | 48,385 | 29,822 |
| Related to Pensions | 169,997 | 57,326 |
| Total Assets and Deferred Outflows of Resoursces | 4,716,109 | 5,238,420 |
| Liabilities | | |
| Current liabilities | 385,508 | 378,528 |
| Noncurrent liabilities | 2,357,667 | 3,136,385 |
| **Total liabilities** | 2,743,175 | 3,514,913 |
| Deferred Inflows of Resources | | |
| Related to other postemployment benefits | 65,732 | 78,431 |
| Related to Pensions | 50,014 | 127,947 |
| **Total Liabilities and Deferred Inflows of Resources** | 2,858,921 | 3,721,291 |
| Net position | | |
| Net investment in capital assets | 550,749 | 25,963 |
| Restricted for debt service | 45,741 | 555,154 |
| Unrestricted | 1,260,698 | 936,012 |
| **Total net position** | **$ 1,857,188** | **$ 1,517,129** |

The above analysis focuses on net position, which can be used as an indicator of the School's financial health. Current assets, defined as assets available for the School's use within one year, decreased by $266,490 primarily due to the decrease in restricted cash and investments. Noncurrent assets decreased by $387,055 due to current year disposals and depreciation being more than additions. Overall, total assets and deferred outflows of resources decreased by $522,311. Total liabilities and deferred inflows of resources decreased by $771,738; primarily due to the payment on long term debt. The impact on the net investment in capital assets (which represents the School's net position invested in buildings and equipment less accumulated depreciation and related debt) was an increase of $524,786. The unrestricted net position balance of $1,260,698 is used to provide working capital and cash flow requirements as well as providing for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the School as a whole are reported in the Statement of Activities, which shows the changes in net position for the fiscal year ended June 30, 2023 and 2022.

**Statement of Activities**

| | 2023 | 2022 |
|---|---|---|
| **Revenues** | | |
| Program Revenues | | |
| Operating grants and contributions | $ 586,525 | $ 589,985 |
| Charges for services | 17,833 | 13,951 |
| General Revenues | | |
| Unrestricted grants and contributions | 2,188,214 | 2,074,532 |
| Other | 5,905 | 410 |
| **Total Revenues** | **2,798,477** | **2,678,878** |
| **Expenses** | | |
| Instruction | 1,334,049 | 1,175,130 |
| Support services | 920,048 | 813,790 |
| Interest on long-term debt | 204,321 | 184,392 |
| **Total Expenses** | **2,458,418** | **2,173,312** |
| **Change in net position** | **340,059** | **505,566** |
| **Beginning net position** | 1,517,129 | 1,011,563 |
| **Ending net position** | **$ 1,857,188** | **$ 1,517,129** |

**Change in Net Position**

The School experienced an increase in net position of $340,059. The total revenues were up $119,599 largely due to grants and state aid contributions. Total expenses were up by $285,106 largely due to an increase in instruction and support services.

As discussed above, the net cost shows the financial burden that was placed on the School by each of these functions. Since unrestricted state aid constitutes the vast majority of district operating revenue sources, the Board of Directors and administration must annually evaluate the needs of the School and balance those needs with state-prescribed available unrestricted resources.

**The School's Funds**

As we noted earlier, the School uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School is being held accountable for the resources taxpayers and others provide to it and may provide more insight into the School's overall financial health.

In the General Fund, our principal operating fund, the fund balance increased $58,741 during the year and ended the year with a positive fund balance of $1,632,398.

**General Fund Budgetary Highlights**

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

There were revisions made to the 2022-2023 General Fund original budget. Federal revenues were amended up as the School became aware that federal revenues passed through the State of Michigan would be more than originally anticipated. Budgeted expenditures for instruction (both basic programs and added needs) were decreased by a net total of $248,698 due to lower costs related to staffing and lower program costs. Operations and Maintenance budget was decreased by $55,744 due to decreased expenses in supplies and maintenance of the equipment and repairs. Outgoing transfers and other transactions was increased $280,587 in anticipation for and after bond refinancing was completed on August 20, 2022. Other categories were adjusted to match anticipated expenditures as the year progressed.

Actual results for expenditures for the year ended June 30, 2023 were lower than budgeted amounts, except for outgoing transfers and other transactions. Outgoing transfers and other transactions was over budget by $1,124 due to lease liability payments.

## Capital Asset and Debt Administration

### Capital Assets

At June 30, 2023, the School had $2,654,911 (net of accumulated depreciation/amortization) invested in a broad range of capital assets, including land, buildings, furniture and equipment, and right to use assets. This amount represents a net decrease (including additions, deductions, and depreciation) of $73,480 from last year.

| | 2023 | 2022 |
|---|---|---|
| Land | $ 319,638 | $ 319,638 |
| Building and improvements | 2,252,321 | 2,300,304 |
| Furniture and Equipment | 64,856 | 81,002 |
| Right to use assets | 18,096 | 27,447 |
| | **$ 2,654,911** | **$ 2,728,391** |

We present more detailed information about our capital assets in the notes to the financial statements.

## Long-term Obligations

At June 30, 2023, the School had $2,084,763 in bonds relating to building construction. The School made its scheduled debt payments during the current year. In addition, the School is now reporting a lease obligation of $19,399 under GASB 87.

## Economic Factors and Next Year's Budget

Our appointed officials and administration considered many factors when setting the School's 2024 fiscal year budget. One of the most important factors affecting the budget is our student count. The fiscal year 2024 budget anticipates an increase in enrollment of students. The State foundation allowance is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2024 fiscal year is 90 percent and 10 percent of the October 2023 and February 2023 student counts, respectively. The original 2024 budget was adopted in June 2023 and anticipated an increase in fund balance of $24,355.

Approximately 78% of total General Fund revenue comes from the state foundation grant. As a result, direct funding is heavily dependent on the state's ability to fund local school operations. Based on early enrollment data at the start of the 2024 school year, we anticipate that the fall student count will be above the estimates used in creating the fiscal 2024 budget. Once the final student count and related per pupil funding is validated, state law requires the School to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the School's revenue is heavily dependent on state funding and the health of the state's School Aid Fund, the actual revenue received depends on the state's ability to collect revenues to fund its appropriation to schools. The state periodically holds a revenue-estimating conference to estimate revenues.

## Contacting the School Financial Management

The financial report is designed to provide a general overview of the School's finances for all those interested in the School's finances. If you have any questions about this report or need additional information, contact Walden Green Montessori, 17339 Roosevelt Road, Spring Lake, Michigan 49456.

Walden Green Montessori
**STATEMENT OF NET POSITION**
June 30, 2023

| | Governmental activities |
|---|---|
| **ASSETS** | |
| Current assets | |
| Cash and cash equivalents | $ 1,304,450 |
| Due from other governmental units | 463,064 |
| Prepaid items | 75,302 |
| Total current assets | 1,842,816 |
| Noncurrent assets | |
| Capital assets, net | |
| Nondepreciable/nonamortizable | 319,638 |
| Depreciable/amortizable | 2,335,273 |
| Total noncurrent assets | 2,654,911 |
| Total assets | 4,497,727 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Related to other postemployment benefits | 48,385 |
| Related to pensions | 169,997 |
| Total deferred outflows of resources | 218,382 |
| Total assets and deferred outflows of resources | 4,716,109 |
| **LIABILITIES** | |
| Current liabilities | |
| Accounts payable and accrued liabilities | 25,860 |
| Due to other governmental units | 24,656 |
| Unearned revenue | 107,157 |
| Bonds and other obligations, due within one year | 227,835 |
| Total current liabilities | 385,508 |
| Noncurrent liabilities | |
| Bonds and other obligations, less amounts due within one year | 1,876,327 |
| Net other postemployment benefits liability | 27,049 |
| Net pension liability | 454,291 |
| Total noncurrent liabilities | 2,357,667 |
| Total liabilities | 2,743,175 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Related to other postemployment benefits | 65,732 |
| Related to pensions | 50,014 |
| Total deferred inflows of resources | 115,746 |
| Total liabilities and deferred inflows of resources | 2,858,921 |
| **NET POSITION** | |
| Net investment in capital assets | 550,749 |
| Restricted for debt service | 45,741 |
| Unrestricted | 1,260,698 |
| Total net position | **$ 1,857,188** |

The accompanying notes are an integral part of this statement.

Walden Green Montessori
**STATEMENT OF ACTIVITIES**
For the year ended June 30, 2023

| *Functions/Programs* | Expenses | Program Revenue: Charges for services | Program Revenue: Operating grants and contributions | Net (Expense) Revenue and Changes in Net Position: Governmental activities |
|---|---|---|---|---|
| Governmental activities | | | | |
| Instruction | $ 1,334,049 | $ 17,833 | $ 522,934 | $ (793,282) |
| Support services | 920,048 | - | 63,591 | (856,457) |
| Interest on long-term debt | 204,321 | - | - | (204,321) |
| Total governmental activities | **$ 2,458,418** | **$ 17,833** | **$ 586,525** | (1,854,060) |
| General revenues | | | | |
| Grants and contributions not restricted to specific programs | | | | 2,188,214 |
| Investment earnings | | | | 5,905 |
| Total general revenues | | | | 2,194,119 |
| Change in net position | | | | 340,059 |
| Net position at beginning of year | | | | 1,517,129 |
| Net position at end of year | | | | **$ 1,857,188** |

The accompanying notes are an integral part of this statement.

Walden Green Montessori
**BALANCE SHEET**
Governmental Funds
June 30, 2023

| | General Fund | Debt Service Fund | Total governmental funds |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 1,304,450 | $ - | $ 1,304,450 |
| Due from other governmental units | 463,064 | - | 463,064 |
| Due from other funds | - | 53,748 | 53,748 |
| Prepaid items | 75,302 | - | 75,302 |
| Total assets | **$ 1,842,816** | **$ 53,748** | **$ 1,896,564** |
| **LIABILITIES** | | | |
| Accounts payable | $ 6,314 | $ - | $ 6,314 |
| Accrued liabilities | 11,539 | - | 11,539 |
| Due to other governmental units | 24,656 | - | 24,656 |
| Due to other funds | 53,748 | - | 53,748 |
| Unearned revenue | 107,157 | - | 107,157 |
| Total liabilities | 203,414 | - | 203,414 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Unavailable revenues | 7,004 | - | 7,004 |
| **FUND BALANCES** | | | |
| Nonspendable - prepaid items | 75,302 | - | 75,302 |
| Restricted for debt service | - | 53,748 | 53,748 |
| Unassigned | 1,557,096 | - | 1,557,096 |
| Total fund balances | 1,632,398 | 53,748 | 1,686,146 |
| Total liabilities, deferred inflows of resources and fund balances | **$ 1,842,816** | **$ 53,748** | **$ 1,896,564** |

The accompanying notes are an integral part of this statement.

Walden Green Montessori
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**
**TO THE STATEMENT OF NET POSITION**
June 30, 2023

| | | |
|---|---|---|
| Total fund balance—governmental funds | | $ 1,686,146 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets used in governmental activities are not current financial resources and are not reported in the governmental funds. | | |
| Cost of capital assets | $ 4,062,171 | |
| Accumulated depreciation/amortization | (1,407,260) | 2,654,911 |
| Deferred inflows and outflows of resources related to pensions and other postemployment benefits are not reported in the governmental funds. | | |
| Deferred outflows of resources - related to other postemployment benefits | 48,385 | |
| Deferred inflows of resources - related to other postemployment benefits | (65,732) | |
| Deferred outflows of resources - related to pensions | 169,997 | |
| Deferred inflows of resources - related to pensions | (50,014) | 102,636 |
| Accrued interest in governmental activities is not reported in the governmental funds. | | (8,007) |
| Other assets that are not available to pay for current period expenditures are reported as unavailable revenue in the governmental funds. | | 7,004 |
| Long-term obligations in governmental activities are not due and payable in the current period and are not reported in the governmental funds. | | (2,585,502) |
| Net position of governmental activities | | **$ 1,857,188** |

The accompanying notes are an integral part of this statement.

Walden Green Montessori

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

Governmental Funds

For the year ended June 30, 2023

| | General Fund | Debt Service Fund | Total governmental funds |
|---|---|---|---|
| **REVENUES** | | | |
| Local sources | | | |
| Investment earnings | $ 7 | $ 5,898 | $ 5,905 |
| Fees and charges | 17,833 | - | 17,833 |
| Other | 181,231 | - | 181,231 |
| Total local sources | 199,071 | 5,898 | 204,969 |
| State sources | 2,300,165 | - | 2,300,165 |
| Federal sources | 356,758 | - | 356,758 |
| Total revenues | 2,855,994 | 5,898 | 2,861,892 |
| **EXPENDITURES** | | | |
| Current | | | |
| Instruction | 1,245,152 | - | 1,245,152 |
| Support services | 935,390 | - | 935,390 |
| Debt service | | | |
| Principal repayment | 14,119 | 3,279,319 | 3,293,438 |
| Interest and other charges | 945 | 160,295 | 161,240 |
| Bond issuance costs | - | 91,324 | 91,324 |
| Capital outlay | 14,059 | - | 14,059 |
| Total expenditures | 2,209,665 | 3,530,938 | 5,740,603 |
| Excess (deficiency) of revenues over (under) expenditures | 646,329 | (3,525,040) | (2,878,711) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Lease proceeds | 4,593 | - | 4,593 |
| Transfers in | - | 592,181 | 592,181 |
| Transfers out | (592,181) | - | (592,181) |
| Proceeds of refunding bonds | - | 2,388,000 | 2,388,000 |
| Total other financing sources (uses) | (587,588) | 2,980,181 | 2,392,593 |
| Net change in fund balances | 58,741 | (544,859) | (486,118) |
| Fund balances at beginning of year | 1,573,657 | 598,607 | 2,172,264 |
| Fund balances at end of year | **$ 1,632,398** | **$ 53,748** | **$ 1,686,146** |

The accompanying notes are an integral part of this statement.

Walden Green Montessori

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

For the year ended June 30, 2023

| | | |
|---|---|---|
| Net change in fund balances—total governmental funds | | $ (486,118) |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Governmental funds report outlays for capital assets as expenditures; in the Statement of Activities these costs are depreciated over their estimated useful lives. | | |
| Depreciation/amortization expense | $ (102,493) | |
| Capital outlay | 19,547 | (82,946) |
| Debt proceeds are other financing sources in the governmental funds, but the proceeds increase long-term obligations in the Statement of Net Position. | | (2,388,000) |
| Lease proceeds are other financing sources in the governmental funds, but the proceeds increase long-term obligations in the Statement of Net Position. | | (4,593) |
| Revenue reported in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds. | | (46,607) |
| Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. | | 3,304,703 |
| Interest expense on long-term obligations is recorded in the Statement of Activities when incurred, but is not reported in governmental funds until paid. | | 35,446 |
| Some other postemployment benefit related expenses reported in the Statement of Activites do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | 20,977 |
| Some pension related expenses reported in the Statement of Activites do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | (12,803) |
| Change in net position of governmental activities | | **$ 340,059** |

The accompanying notes are an integral part of this statement.

## NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Walden Green Montessori (School) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School's accounting policies are described below.

**Reporting Entity**
The School is governed by an appointed five member Board of Directors (Board), which has responsibility and control over all activities related to education within the School. The School receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities.

Generally accepted accounting principles require that if the School is considered to be financially accountable for other organizations, those organizations should be included as component units in the School's financial statements. Since no organizations met this criterion, none are included in the financial statements.

**Basis of Presentation—Government-wide and Fund 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 nonfiduciary activities of the School. All fiduciary activities are reported only in the fund financial statements. Governmental activities normally are supported by intergovernmental revenues and other nonexchange transactions.

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

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

The fund financial statements provide information about the School's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

## NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

### Basis of Presentation—Government-wide and Fund Financial Statements—Continued

During the course of operations the School 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 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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 Schools based on information supplied by the Schools. For the current fiscal year, the foundation allowance was based on pupil membership counts taken in October and February.

## NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

### Measurement Focus and Basis of Accounting—Continued

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 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 due from other governmental units.

The School 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 considered to be measurable and available only when cash is received by the government.

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

***Cash and Investments***

The School'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.

Investments for the School are reported at fair value (generally based on quoted market prices). Standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the School intends to hold the investment until maturity.

State statutes authorize the School to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in 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. The School is also authorized to invest in U. S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above. The School's deposits and investments are in accordance with statutory authority.

***Inventories and Prepaid Items***

All inventories are valued at cost using the first-in/first-out method. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

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

## NOTE A—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, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than $1,000 as composite groups for financial reporting purposes.

As the School constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

| Capital Asset Classes | Years |
|---|---|
| Buildings and improvements | 10-50 |
| Furniture and equipment | 3-10 |
| Right to use – leased buildings | 3 |

***Long-term Obligations***
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. 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.

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

## NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

***Deferred Outflows/Inflows of Resources***
In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

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.

***Net Position Flow Assumption***
Sometimes the government 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 of net position to report as restricted and unrestricted 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 School's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

***Fund Balance Flow Assumptions***
Sometimes the School 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 School'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 government 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 School's highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the School that can, by formal action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken (another formal action) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the School for specific purposes but do not meet the criteria to be classified as committed. The Board of Directors 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.

## NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

***Leases***

Lessee: For noncancellable agreements that qualify as lease agreements, the School recognizes a lease liability and a right-to-use lease asset in the government-wide financial statements. The School recognizes a lease liability and right-to-use lease asset in the government-wide financial statements.

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

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

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

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

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

### 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 or capital requirements of a particular function or segment. Unrestricted state aid, interest and other internally dedicated resources are reported as general revenues rather than as program revenues.

## NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

**Budgets and Budgetary Accounting**
Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund. All annual appropriations lapse at year end.

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

1. The Director submits to the Board of Directors 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.
2. Public hearings are conducted to obtain comments.
3. Prior to July 1, the budget is legally adopted by Board of Directors resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). 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 are noted in the required supplementary information section.
4. Formal budgetary integration is employed as a management control device during the year.
5. The budget is amended during the year with supplemental appropriations, the last one approved prior to June 30, 2023.

## NOTE C—DEPOSITS AND INVESTMENTS

As of June 30, 2023, the School had no investments.

**Interest rate risk**
The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit risk**
State law limits investments in commercial paper and corporate bonds to the three highest classifications issued by nationally recognized statistical rating organizations. The School has no investment policy that would further limit its investment choices.

**Concentration of credit risk**
The School does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the School 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.

## NOTE C—DEPOSITS AND INVESTMENTS—Continued

### Custodial credit risk - deposits

In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to it. As of June 30, 2023, $733,158 of the School's bank balance of $1,336,782 was exposed to custodial credit risk because it was uninsured and uncollateralized.

### Custodial credit risk - investments

The School does not have a custodial credit risk policy for investments. This is the risk that, in the event of the failure of the counterparty, the School will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

### Foreign currency risk

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

## NOTE D—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

| | Balance July 1, 2022 | Additions | Deductions | Balance June 30, 2023 |
|---|---|---|---|---|
| **Capital assets, not being depreciated/amortized:** | | | | |
| Land | $ 319,638 | $ - | $ - | $ 319,638 |
| **Capital assets, being depreciated/amortized:** | | | | |
| Buildings and improvements | 3,294,056 | 21,073 | - | 3,315,129 |
| Furniture and equipment | 451,787 | 3,347 | 70,326 | 384,808 |
| Right to use - leased buildings | 38,003 | 4,593 | - | 42,596 |
| Total capital assets, being depreciated/ amortized | 3,783,846 | 29,013 | 70,326 | 3,742,533 |
| **Less accumulated depreciation/amortization:** | | | | |
| Buildings and improvements | 993,752 | 69,056 | - | 1,062,808 |
| Furniture and equipment | 370,785 | 19,493 | 70,326 | 319,952 |
| Right to use - leased buildings | 10,556 | 13,944 | - | 24,500 |
| Total accumulated depreciation/amortization | 1,375,093 | 102,493 | 70,326 | 1,407,260 |
| Total capital assets, being depreciated/ amortized, net | 2,408,753 | (73,480) | - | 2,335,273 |
| Capital assets, net | **$ 2,728,391** | **$ (73,480)** | **$ -** | **$ 2,654,911** |

**Depreciation /amortization**

Depreciation/amortization expense has been charged to functions as follows:

| | |
|---|---|
| Instruction | $ 92,244 |
| Support services | 10,249 |
| | **$ 102,493** |

## NOTE E—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

**Interfund Receivables and Payables**
As of June 30, 2023, the General Fund owed the Debt Service Fund $53,748. The outstanding balance 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 $592,181 to the Debt Service Fund to fund debt service payments.

## NOTE F—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.

On July 21, 2022, the School issued $2,388,000 of Series 2022 Limited Obligation Revenue Refunding Bonds to advance refund the Series 2006 Limited Obligation Revenue Bonds.

The School advance refunded the 2006 Series bond to reduce its total debt service payment over the next 14 years by approximately $1,335,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately $795,000.

The following is a summary of long-term obligations activity for the School for the year ended June 30, 2023:

| | Balance July 1, 2022 | Additions | Reductions | Balance June 30, 2023 | Due within one year |
|---|---|---|---|---|---|
| **Governmental activities** | | | | | |
| Bond - 2006 Limited Obligation | $ 3,100,000 | $ - | $ 3,100,000 | $ - | $ - |
| Bond - 2022 Refunding | - | 2,388,000 | 179,319 | 2,208,681 | 213,317 |
| Leases | 28,925 | 4,593 | 14,119 | 19,399 | 14,518 |
| Discounts | (112,653) | - | 11,265 | (123,918) | - |
| | **$ 3,016,272** | **$ 2,392,593** | **$ 3,304,703** | **$ 2,104,162** | **$ 227,835** |

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

## NOTE F—LONG-TERM OBLIGATIONS—Continued

General obligation bonds consist of the following:

| | Interest Rate | Date of Maturity | Balance |
|---|---|---|---|
| **Governmental activities:** | | | |
| General obligation bonds | | | |
| 2022 Refunding Bond | 4.25% | May 2032 | **$ 2,208,681** |

The annual requirements of principal and interest to amortize the bonds outstanding as of June 30, 2023 follow:

| Year ending June 30, | Bonds Principal | Bonds Interest |
|---|---|---|
| 2024 | $ 213,317 | $ 82,296 |
| 2025 | 214,429 | 81,184 |
| 2026 | 223,722 | 71,891 |
| 2027 | 233,417 | 62,195 |
| 2028 | 243,533 | 52,079 |
| 2029-2032 | 1,080,263 | 98,102 |
| | **$ 2,208,681** | **$ 447,747** |

## NOTE G—LEASES

The School District leases the right to use assets from various third parties. These assets include buildings under lease agreements. Payments on leases are generally fixed annual or monthly amounts.

Right to use leased buildings assets are included in Note D. Lease obligations are included in Note F.

The annual requirements of principal and interest to amortize the lease obligations outstanding as of June 30, 2023 follows:

| Year ending June 30, | Leases Principal | Leases Interest |
|---|---|---|
| 2024 | $ 14,518 | $ 548 |
| 2025 | 4,881 | 89 |
| | **$ 19,399** | **$ 637** |

## NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)

### Plan Description

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

The System's 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.

The System also provides disability and survivor benefits to DB plan members.

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

#### *Pension Reform 2010*

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System who became a member 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 percent of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50 percent (up to 1 percent 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.

**NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued**

**Benefits Provided – Pension—Continued**

***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 service 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.

Employees who first work on or after September 4, 2012, choose between two retirement plans: the Pension Plus plan described above and a DC plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions. New employees are automatically enrolled as members in the Pension Plus plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus plan and become a qualified participant in the DC plan; if no election is made they will remain in the Pension Plus plan. If they elect to opt out of the Pension Plus plan, their participation in the DC plan will be retroactive to their date of hire.

Employees in the Pension Plus and DC plans are immediately vested in their own contributions and earnings on those contributions. The employee becomes vested in the employer match contribution at the following rates: 50 percent after two years of service, 75 percent after three years of service, and 100 percent after four years of service. Non-vested contributions are forfeited upon termination of employment. Forfeitures during a plan year are credited to a forfeitures account. Forfeitures are first applied to restore any forfeited amounts that are required to be restored. The remaining amounts in the forfeitures account may be maintained in reserve, used to cover a portion of the plan's administrative expenses or offset future employer contributions, as determined by the plan administrator.

***Pension Reform 2017***
On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closes the current hybrid plan (Pension Plus) to newly hired employees as of February 1, 2018 and creates a new optional revised hybrid plan (Pension Plus 2) 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 new hybrid plan is 6 percent. Further, the law provides that, under certain conditions, the new hybrid plan would close to new employees if the actuarial funded ratio falls below 85 percent for two consecutive years. The law includes other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

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

## NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

### Benefits Provided – Pension—Continued

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

***Plan Status***
The Basic, MIP, and Pension Plus plans are closed to new entrants. The Pension Plus 2 plan and the DC plan are still open to new entrants.

### Benefits Provided – 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 healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80 percent beginning January 1, 2013; 90 percent for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3 percent 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 percent employee contribution into their 457 account as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stop paying the 3 percent contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

## NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2021 valuation will be amortized over a 17-year period beginning October 1, 2021, and ending September 30, 2038.

The schedules below summarize the contribution rates in effect for the System's fiscal year ended September 30, 2022.

**Pension Contribution Rates**

| Benefit Structure | Member | Employer |
|---|---|---|
| Basic | 0.0 - 4.0 % | 20.14 % |
| Member Investment Plan | 3.0 - 7.0 | 20.14 |
| Pension Plus Plan | 3.0 - 6.4 | 17.22 |
| Pension Plus 2 Plan | 6.2 | 19.93 |
| Defined Contribution | 0.0 | 13.73 |

**OPEB Contribution Rates**

| Benefit Structure | Member | Employer |
|---|---|---|
| Premium Subsidy | 3.0 % | 8.09 % |
| Personal Healthcare Fund | 0.0 | 7.23 |

The School's pension contributions for the year ended June 30, 2023 were equal to the required contribution total. Pension contributions were approximately $56,400, including Section 147c(1) and Section 147c(2) contributions.

For the year ended June 30, 2023, the School and employee defined contribution plan contributions were approximately $30,800 and $7,800, respectively.

The School's OPEB contributions for the year ended June 30, 2023 were equal to the required contribution total. OPEB contributions were approximately $9,100.

## NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

**Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**
At June 30, 2023, the School reported a liability of $454,291 for its proportionate share of the net pension liability and a liability of $27,049 for its proportionate share of the net OPEB liability. The net pension and OPEB liabilities were measured as of September 30, 2022, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities were determined by an actuarial valuation rolled forward from September 30, 2020. The School District's proportion of the net pension and OPEB liabilities was determined by dividing each employer's statutorily required pension and OPEB contributions to the system during the measurement period by the percent of pension and OPEB contributions, respectively, required from all applicable employers during the measurement period. At September 30, 2022 and 2021, the School's pension proportion was 0.00121 and 0.00106 percent, respectively. At September 30, 2022 and 2021, the School's OPEB proportion was 0.00128 and 0.00110 percent, respectively.

For the year ended June 30, 2023, the School recognized pension expense (benefit) of $52,379 and an OPEB expense (benefit) of $(11,890).

At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources from the following sources:

| | Pension | | OPEB | |
|---|---|---|---|---|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | $ 4,544 | $ 1,016 | $ - | $ 52,978 |
| Changes of assumptions | 78,063 | - | 24,110 | 1,963 |
| Net difference between projected and actual earnings on pension plan investments | 1,065 | - | 2,114 | - |
| Changes in proportion and differences between School contributions and proportionate share of contributions | 35,083 | 15,294 | 15,140 | 10,791 |
| State of Michigan Section 147c(1) UAAL rate stabilization and 147c(2) one time deposit state aid payments subsequent to the measurement date | - | 33,704 | - | - |
| School contributions subsequent to the measurement date | 51,242 | - | 7,021 | - |
| **Total** | **$ 169,997** | **$ 50,014** | **$ 48,385** | **$ 65,732** |

**NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued**

**Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources—Continued**

The School's contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions and OPEB resulting from employer contributions subsequent to the measurement date, in the chart above, will be recognized as a reduction of the net pension liability and the net OPEB liability, respectively, in the year ended June 30, 2024. The State of Michigan Section 147c(1) UAAL rate stabilization and 147c(2) and one time deposit state aid payments subsequent to the measurement date reported as deferred inflows of resources will be recognized as revenue in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in expense as follows:

| Year ending June 30, | Pension | OPEB |
|---|---|---|
| 2024 | $ 23,341 | $ (11,716) |
| 2025 | 23,845 | (9,925) |
| 2026 | 25,250 | (6,908) |
| 2027 | 30,009 | 2,404 |
| 2028 | - | 1,392 |
| Thereafter | - | 385 |
| | **$ 102,445** | **$ (24,368)** |

**Actuarial assumptions**

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

***Summary of Actuarial Assumptions***

| | |
|---|---|
| Valuation date – | September 30, 2021 |
| Actuarial cost method – | Entry age, Normal |
| Wage Inflation Rate – | 2.75% |
| Investment rate of return – | 6.0% a year for the MIP and Basic plans<br>6.0% a year for the Pension Plus plan<br>6.0% a year for the Pension Plus 2 plan<br>6.0% a year for OPEB |
| Salary increases – | 2.75%-11.55%, including wage inflation at 2.75% |
| Cost-of-living pension adjustments – | 3% annual non-compounded for MIP members |
| Healthcare cost trend rate – | Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3% Year 120<br><br>Post-65: 5.25% Year 1 graded to 3.5% Year 15; 3% Year 120 |

## NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

### Actuarial assumptions—Continued

***Mortality Assumptions***
The healthy life post-retirement mortality tables used in this valuation of the System were the RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82 percent for males and 78 percent for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

***Opt-Out Assumption***
21 percent of eligible participants hired before July 1, 2008 and 30 percent of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.

***Survivor Coverage***
80 percent of male retirees and 67 percent of female retirees are assumed to have coverages continuing after the retiree's death.

***Coverage Election at Retirement***
75 percent of male and 60 percent of female future retirees are assumed to elect coverage of one or more dependents.

***Experience Study***
Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2018 valuation. The total pension and OPEB liabilities as of September 30, 2022 are based on the results of an actual valuation date of September 30, 2021, and rolled forward using generally accepted actuarial procedures, including the experience study.

***Long-Term Expected Rate of Return on Investments***
The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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.

**NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued**

**Actuarial assumptions—Continued**

***Long-Term Expected Rate of Return on Investments—Continued***
Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2022 are summarized in the following table:

| Investment Category | Target Allocation | Long-term Expected Real Rate of Return* |
|---|---|---|
| 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) |
| **Total** | **100.0** % | |

*Long term rates of return are net of administrative expenses and 2.2% inflation.

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

***Discount rate***
In the current year, the discount rates used to measure the total pension and OPEB liabilities were 6.0 percent (6.0 percent for the Pension Plus plan and 6.0 percent for the Pension Plus 2 plan, hybrid plans provided through non-university employers only), and 6.0 percent, respectively. The discount rates used to measure the total pension and OPEB liability as of June 30, 2022 were 6.8 percent (6.8 percent for the Pension Plus Plan and 6.0 percent for the Pension plus 2 plan, hybrid plans provided through non-university employers only), and 6.95 percent, respectively. These discount rates for the current year were based on the long-term expected rates of return on pension plan and OPEB investments of 6.0 percent (6.0 percent for the Pension Plus plan, 6.0 percent for the Pension Plus 2 plan) and 6.0 percent, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions, the pension and OPEB plans' 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 and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

## NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

### Sensitivity of the net pension liability to changes in the discount rate

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

| 1% Lower* (5.0% / 5.0% / 5.0%) | Discount Rate* (6.0% / 6.0% / 6.0%) | 1% Higher* (7.0% / 7.0% / 7.0%) |
|---|---|---|
| $ 599,495 | $ 454,291 | $ 334,636 |

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

### Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the School's proportionate share of the net OPEB liability calculated using the discount rate of 6.0 percent, as well as what the School's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

| 1% Lower (5.0%) | Discount Rate (6.0%) | 1% Higher (7.0%) |
|---|---|---|
| $ 45,372 | $ 27,049 | $ 11,619 |

### Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

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

| 1% Lower | Current Healthcare Cost Trend Rate | 1% Higher |
|---|---|---|
| $ 11,327 | $ 27,049 | $ 44,697 |

### Pension and OPEB Plans Fiduciary Net Position

Detailed information about the pension and OPEB plans' fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System Annual Comprehensive Financial Report available at www.michigan.gov/orsschools.

### Payable to the pension and OPEB plan

At year end the School is current on all required pension and OPEB payments. Accruals for July and August deferred payroll and for July and August Section 147c(1) and Section 147c(2) amounts are not considered payables for this purpose.

## NOTE I—COMMITMENTS AND CONTINGENCIES

### Grant Programs

The School participates in grant programs, which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

## NOTE J—OTHER INFORMATION

### Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The School carries commercial insurance for other risks of loss, including employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2023 or any of the prior three years.

### Employee Services Agreement

The School leases its employees, with the exception of one employee, from an employee leasing company and is not required to have these School employees covered by MPSERS. Expenditures for employee costs such as salaries and wages, payroll taxes, and benefits under the management services agreements have been recorded and reported in conformance with the State of Michigan's standard chart of accounts.

## NOTE K—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.

# REQUIRED SUPPLEMENTARY INFORMATION

Walden Green Montessori
**REQUIRED SUPPLEMENTARY INFORMATION**
**BUDGETARY COMPARISON SCHEDULE**
General Fund
For the year ended June 30, 2023

| | Budgeted amounts | | | Variance with |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual** | **final budget** |
| **REVENUES** | | | | |
| Local sources | $ 202,687 | $ 160,325 | $ 199,071 | $ 38,746 |
| State sources | 2,409,677 | 2,297,616 | 2,300,165 | 2,549 |
| Federal sources | 269,090 | 300,686 | 356,758 | 56,072 |
| Incoming transfers and other transactions | - | - | 4,593 | 4,593 |
| Total revenues | 2,881,454 | 2,758,627 | 2,860,587 | 101,960 |
| **EXPENDITURES** | | | | |
| Instruction | | | | |
| Basic programs | 1,180,619 | 1,009,012 | 1,006,858 | 2,154 |
| Added needs | 329,464 | 241,015 | 238,294 | 2,721 |
| Support services | | | | |
| Pupil | 119,100 | 123,237 | 123,236 | 1 |
| General administration | 153,920 | 142,700 | 141,918 | 782 |
| School administration | 425,218 | 429,928 | 425,378 | 4,550 |
| Business | 19,000 | 17,160 | 17,160 | - |
| Operations and maintenance | 253,634 | 196,890 | 192,637 | 4,253 |
| Pupil transportation services | 1,000 | 500 | 47 | 453 |
| Staff services/non-instruction technology | 37,371 | 35,016 | 35,014 | 2 |
| Community services | 100 | - | - | - |
| Capital Outlay | 15,064 | 15,245 | 14,059 | 1,186 |
| Outgoing transfers and other transactions | 325,716 | 606,121 | 607,245 | (1,124) |
| Total expenditures | 2,860,206 | 2,816,824 | 2,801,846 | 14,978 |
| Excess (deficiency) of revenues over (under) expenditures | **$ 21,248** | **$ (58,197)** | 58,741 | **$ 116,938** |
| Fund balance at beginning of year | | | 1,573,657 | |
| Fund balance at end of year | | | **$ 1,632,398** | |

Walden Green Montessori
**REQUIRED SUPPLEMENTARY INFORMATION**
**Schedule of the School's Proportionate Share of the Net Pension Liability**
Michigan Public School Employees Retirement System
Last 9 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

| | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** |
|---|---|---|---|---|---|---|---|---|---|
| School's proportion of the net pension liability (%) | 0.00121% | 0.00106% | 0.00105% | 0.00119% | 0.00127% | 0.00128% | 0.00135% | 0.00127% | 0.00123% |
| School's proportionate share of the net pension liability | $454,291 | $250,884 | $361,559 | $394,754 | $383,156 | $330,705 | $337,056 | $309,221 | $271,939 |
| School's covered payroll | $120,246 | $ 96,711 | $ 85,000 | $ 97,067 | $110,619 | $101,461 | $114,947 | $ 96,230 | $ 93,006 |
| School's proportionate share of the net pension liability as a percentage of its covered payroll | 377.80% | 259.42% | 425.36% | 406.68% | 346.37% | 325.94% | 293.23% | 321.34% | 292.39% |
| Plan fiduciary net position as a percentage of the total pension liability | 60.77% | 72.60% | 59.72% | 60.31% | 62.36% | 64.21% | 63.27% | 63.17% | 66.20% |

Note: For years prior to 2014 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Walden Green Montessori
**REQUIRED SUPPLEMENTARY INFORMATION**
**Schedule of School's Pension Contributions**
Michigan Public School Employees Retirement System
Last 9 Fiscal Years (Amounts were determined as of 6/30 of each year)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|
| Statutorily required contributions | $ 22,683 | $ 24,542 | $ 18,717 | $ 16,019 | $ 19,404 | $ 18,075 | $ 20,354 | $ 20,934 | $ 20,770 |
| Contributions in relation to the statutorily required contributions | 22,683 | 24,542 | 18,717 | 16,019 | 19,404 | 18,075 | 20,354 | 20,934 | 20,770 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| School's covered payroll | $108,920 | $121,800 | $ 92,500 | $ 85,000 | $110,164 | $102,135 | $107,095 | $105,354 | $ 94,500 |
| Contributions as a percentage of covered payroll | 20.83% | 20.15% | 20.23% | 18.85% | 17.61% | 17.70% | 19.01% | 19.87% | 21.98% |

Note: For years prior to 2015 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which informati
is available.

Walden Green Montessori

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of School's Proportionate Share of the Net OPEB Liability**

Michigan Public School Employees Retirement System

Last 6 Fiscal Years (Amounts were determined as of 9/30 of each year)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| School's proportion of the net OPEB liability (%) | 0.00128% | 0.00110% | 0.00098% | 0.00112% | 0.00131% | 0.00128% |
| School's proportionate share of the net OPEB liability | $ 27,049 | $ 16,764 | $ 52,755 | $ 80,102 | $104,099 | $113,139 |
| School's covered payroll | $120,246 | $ 96,711 | $ 85,000 | $ 97,067 | $110,619 | $101,461 |
| School's proportionate share of the net OPEB liability as a percentage of its covered payroll | 22.49% | 17.33% | 62.06% | 82.52% | 94.11% | 111.51% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 83.09% | 87.33% | 59.44% | 48.46% | 42.95% | 36.39% |

Note: For years prior to 2017 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Walden Green Montessori
**REQUIRED SUPPLEMENTARY INFORMATION**
**Schedule of School's OPEB Contributions**
Michigan Public School Employees Retirement System
Last 6 Fiscal Years (Amounts were determined as of 6/30 of each year)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| Statutorily required contributions | $ 9,087 | $ 9,992 | $ 7,929 | $ 6,914 | $ 8,815 | $ 7,131 |
| Contributions in relation to the statutorily required contributions | 9,087 | 9,992 | 7,929 | 6,914 | 8,815 | 7,131 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - |
| School's covered payroll | $108,920 | $121,800 | $ 92,500 | $ 85,000 | $110,164 | $102,135 |
| Contributions as a percentage of covered payroll | 8.34% | 8.20% | 8.57% | 8.13% | 8.00% | 6.98% |

Note: For years prior to 2018 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Walden Green Montessori
**REQUIRED SUPPLEMENTARY INFORMATION**
**Notes to Required Supplementary Information**
For the year ended June 30, 2023

Pension Information

**Benefit changes –** there were no changes of benefit terms in 2022.

**Changes of assumptions –** there were no changes of assumptions in 2022.

OPEB Information

**Benefit changes –** there were no changes of benefit terms in 2022.

**Changes of assumptions** – there were no changes in benefit assumptions in 2022.