

Annual Comprehensive Financial Report



Farmington
PUBLIC SCHOOLS

Farmington Public School District
Farmington, MI

June 30, 2023

Annual Comprehensive Financial Report of Farmington Public School District 32500 Shiawassee Farmington, Michigan 48336

**For the Fiscal Year Ended
June 30, 2023**

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Superintendent of Schools**

Board of Education

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Blau
President**

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October 9, 2023

Citizens and Board Members:

Christopher J. Delgado,
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Superintendent

Cheryl B. Blau, Ph. D.
President

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Vice President

Donald Walker, Jr.
Secretary

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The Annual Comprehensive Financial Report of Farmington Public School District (the "School District") for the fiscal year ended June 30, 2023 is submitted herewith. This report was prepared by the business department and contains all activities under the control of the Board of Education. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School District. We believe that the data as presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the School District as measured by the financial activity of its various funds with all disclosures necessary to enable the reader to gain the maximum understanding of the School District's financial affairs.

Reporting Entity and Services

Farmington Public School District is an independent reporting entity established under the laws of the State of Michigan and governed by an elected, seven-member Board of Education and fully meets criteria established by the Governmental Accounting Standards Board (GASB). All funds of the School District are included in this report. The School District does not have component units.

The School District follows GASB Statement No. 34, a governmental reporting model. The financial section reports separately the governmental funds and the fiduciary fund administered by the board. In addition, the financial section includes the School District's government-wide financial statements.

Report Organization

The Annual Comprehensive Financial Report was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections:

Introductory Section

This section introduces the reader to Farmington Public School District and to this report. Included are facts about the School District, this transmittal letter, the School District's organizational chart, and the Association of School Business Officials International Certificate of Excellence in Financial Reporting for the year ended June 30, 2022.

Financial Section

The financial section includes the independent auditor's report on the financial statements and schedules, management's discussion and analysis, government-wide financial statements, the fund financial statements, notes to the financial statements, and required and other supplemental information.

The management of the School District is responsible for the financial information and representations contained in the financial statements and other sections of the annual report. In preparing the financial statements, it is necessary that management make informed estimates and judgments based on currently available information of the effects of certain events and transactions.

The management's discussion and analysis, which includes an analysis of the School District's financial position and results of operations, government-wide financial statements, fund financial statements, and supplemental statements and schedules presented in the financial section of this report, present fairly and with full disclosure the financial position and results of the financial operation at the fund and government-wide levels in conformity with accounting principles generally accepted in the United States of America and demonstrate compliance with finance-related legal and contractual provisions. The management's discussion and analysis provides an overview and analysis of the School District's basic financial statements and should be read in conjunction with the financial statements.

The basis of accounting for each fund is consistent with the activities and objectives of the fund as a fiscal and accounting entity.

The supplemental statements and schedules contain a more detailed analysis of revenue and expenditures that are compared to the 2022-2023 budget for the General Fund, as well as schedules presenting the School District's proportionate share of net pension liability and contribution information related to the MPSERS pension plan. Other supplemental information includes the balance sheet and statement of revenue, expenditures, and changes in fund balances as well as statements and schedules containing a more detailed analysis of revenue and expenditures that are compared to the 2022-2023 budget for nonmajor governmental funds as well as the schedule of bonded indebtedness detailing interest rates and annual maturities, schedule of fixed assets by building, and schedule of cash, cash equivalents, and investments.

Statistical Section

Although this section contains substantial financial information, these tables differ from financial statements in that they present some nonaccounting data, compare 10 years of data, and are intended to reflect economic data, financial trends, and the fiscal capabilities of the School District.

About Farmington Public School District

The Community

Farmington Public School District is a suburban school district located in the cities of Farmington and Farmington Hills and the Township of West Bloomfield, all within southern Oakland County, Michigan. The School District encompasses 28 square miles with a population of approximately 95,600. The entire City of Farmington and a majority of the City of Farmington Hills lies within the School District boundaries. A small portion of West Bloomfield Township is within the School District boundaries. The School District's 2021 median housing value for the cities of Farmington and Farmington Hills was \$228,400 and \$280,100, respectively. The median household income from survey data collected by the Cities of Farmington and Farmington Hills, respectively, was estimated at \$84,558 and \$93,434 in 2021, the latest census data available. Due to its proximity to I-696, Northwestern Highway, Grand River, I-96, and I-275, the School District has a significant commercial and industrial tax base to support community services and provide a strong economic climate.

Many nonprofit agencies within the area, including the Farmington Call to Action, Farmington/Farmington Hills Multi-Cultural/Multi-Racial Community Council, Neighborhood House, Farmington Youth Assistance, the Commission on Children, Youth and Families, and the Farmington Hills/Farmington Community Foundation work closely with the schools and cities to improve the quality of life for Farmington residents. The School District maintains several school/community/business partnerships that enhance educational opportunities for students with the assistance of a Community Partnership Advisory Council.

The School District has always been a leader in instructional excellence. The attention to a strong comprehensive academic curriculum continues to be an attraction for families moving into the community.

The School District has one early childhood center, one K-8 STEAM school, eight K-5 elementary schools, three 6-8 middle schools, two 9-12 high schools, one 11-12 alternative high school, one special education center and several other support facilities.

The School District works within a comprehensive curriculum, including instructional resources, in the areas of language arts, mathematics, social studies, science, art, music, physical education and health, and world languages. Curriculum development is guided by the School District's student learning outcomes and the State Board of Education Curriculum. The District utilizes an instructional review process to guide staff through curriculum research, planning, piloting, implementation, and evaluation.

The School District's educational program is rich in choice and offerings. Currently, students are eligible to apply to attend any school of their choice within each school's capacity limit. The School District operates Head Start, a federally sponsored program, for eligible at-risk early childhood students.

There is a strong core curriculum for every student, enhanced by applied technology programs and access to 1-1 technology. Curriculum offerings include advanced placement opportunities, bilingual and special education programs, secondary alternative high school, International Baccalaureate for high school students, band and orchestra at the secondary level, a full range of physical education and athletic offerings, numerous enrichment programs as well as online learning and alternative options in cooperation with Oakland Schools.

Elementary children have access to literacy and bilingual programs that support students learning art, music, and physical education. In cooperation with the Farmington YMCA, the School District provides Y-Child Care, before and after school child care at its elementary sites.

Special education services are provided government-wide for infants up to age 26 years. In addition, English as a second language is provided for adult learners. A student assessment and evaluation program provides information about individual, school, and School District achievement.

The official blended enrollment for 2022/2023, including alternative and adult education students, was 9,019 students.

Accomplishments

Farmington Public Schools Strategic Plan Development

During the 2022-23 school year, Farmington Public Schools launched the Profile of a Lifelong Learner—a product developed through our strategic planning process. The FPS Profile represents our promise to the community, supporting the development of skills and dispositions in these five areas:

- Compassionate Community Member
- Resilient Problem Solver
- Empowered Collaborator
- Strategic Communicator
- Self-Actualizer

In addition to the completion of the Profile of a Lifelong Learner, the goal area leaders worked to complete the objectives for each of the six goal areas:

Community Relations

Objectives include improving communication/outreach efforts with all stakeholders, including new and existing families, senior citizens, board of education, and overall community stakeholders and enhancing with intention partnerships and enrichment opportunities that expand student learning opportunities.

Teaching and Learning

Objectives include connecting concepts of authentic tasks and positioning to the FPS Profile of a Lifelong Learner, developing awareness and opportunities for vertical alignment across the district and reviewing FPS grading practices.

Creating a Culture for Equity and Innovation

Objectives include identifying and promoting adult behaviors that support a culture of equity and innovation and aligning professional development to support creating a culture of equity and innovation.

Leadership that Supports Equity and Innovation

Objectives include identifying three to five key components of leadership that fosters equity and innovation and creating a cross-district culture of equitable student leadership.

Creating Systems for Equity and Innovation

Objectives include identifying the key components for a plan for equity at FPS and identifying key components for system-wide innovation.

FPS Futures Committee

Objectives include a space to discuss and identify “What could be” for our FPS learners, including the incorporation of content in the FPS Profile of a Lifelong Learner; exploring paths forward for future learning opportunities.

At the end of the 2022-23 school year, Farmington Public Schools engaged the community in a conversation around the next phase of our Strategic Plan. Stakeholder feedback was gathered across the community to identify trends and areas of focus for the district.

These Leading Focus Areas include:

- Collaborative Professional Learning that supports Equity and Innovation
- Culture of Equity and Innovation
- Health and Wellness through Social and Emotional Learning
- Innovation for Teaching and Learning

Once the specific goal statements are generated, an update on the goal areas, including strategies, action steps and monitoring methods will be presented to the Board of Education in the Fall of 2023, with continued implementation during the 2023-24 school year.

Student and Staff Recognition

The School District is proud of the many achievements recognized during the 2023 fiscal year, including:

- Approximately 750 students took advantage of Advanced Placement or Dual Enrollment, advancing their education and potentially saving on college tuition.
- Farmington Early Childhood Center is accredited by the National Association of the Education of Young Children.
- All PreK-12 schools and the District are fully accredited by Cognia. Cognia conducts on-site external reviews of schools and districts.
- Longacre Elementary School was the fifth school in Michigan to be awarded the distinction of being named a Leader in Me Lighthouse School.
- Hillside Elementary School, Farmington STEAM Academy, Farmington High School and North Farmington High School have been recognized as National PTA Schools of Excellence.

School/Community Relations Services

The District has a robust communications process in place to communicate with both its internal and external communities. Some of the vehicles that the Department uses include:

- UpDate Newsletter which is sent quarterly to more than 40,000 households
- @farmington online newsletter which is sent to staff every other week
- Social media channels - Facebook, Twitter, Instagram, Pinterest

- Blackboard Messaging – emails, texts, phone calls
- Community Meetings, Presentations, and Coffees
- Videos developed by TV-10, the student-run television station
- Mobile App

District and school websites were re-designed several years ago using a Content Management System to help with the ease of updating the sites. The District's website has received the Commendable Award from the National School Public Relations Association. The District uses Peach Jar to help manage community resource information and fliers on the web site and mobile app.

This Department also hosts community events to help tell the District's story including a Senior Adult Breakfast, Realtor Breakfast, Farmington Public Schools' Awards of Excellence Breakfast, and the Rise & Shine Awards Luncheon.

The District works closely with its parent groups - PTA/PTSA's and the Farmington African American Parent Network (FAAPN) and numerous community groups including the Farmington Family YMCA, the Farmington Area Chamber of Commerce, the Farmington/Farmington Hills Optimist Club, the Farmington/Farmington Hills Education Foundation, and the Farmington Xemplar Club to name just a few.

For the past two Community Surveys, Communications ranked high in overall satisfaction.

Instructional Services

Board reports will include instructional reports to provide updates to the superintendent and the Board of Education. These are designed to provide an overview of instructional initiatives and the achievement of our students.

The School District continues to align the development of the District Improvement Plan (DIP) by ensuring School Improvement Plans (SIP) are completed by the end of May to ensure they inform the DIP as well as professional development for the upcoming school year. This alignment is a required part of the Michigan Integrated Continuous Improvement Process (MICIP).

The School District continues its work in meeting state requirements for the Teacher and Administrator Evaluation System. The School District implemented its Teacher Professional Growth and Evaluation model using the final ratings to inform the 2021-22 staffing process. The teacher evaluation process is being refined through professional development and experience with all components.

Technology is infused throughout the organization, with FPS now being a 1:1 district. It supports operations, curriculum, and instruction, enhances learning, and extends beyond the school faculty and school day. Support includes the NWEA assessment, M-STEP testing as well as the addition of Google Apps for Education. The district invested in a Learning Management System (LMS) to support teachers, students and families in the learning process. A Learning Management System provides an online space for students and teachers to work collaboratively and includes parents as partners in their child's education.

The work of key instructional staff with technology consultants, along with input from teachers across the District, continues to drive bond technology purchases throughout the District. Technology advancements include expanded wireless connectivity throughout the School District, 1:1 technology for all learners, interactive projectors, document cameras, classroom sound-systems, and interactive flat panels.

Student Support Services

The Student Support Services Department oversees a variety of areas related to support students and families who may need assistance and support at the tier 2 and tier 3 level. This includes Section 504, Personal Curriculums, Homeless/McKinney Vento students, State and Federal Grants (i.e. Title I, Title III), and students who are English Language Learners. The Community Support Services team works under this department to provide academic and resource support to students in need along with their families. This support includes necessary school supplies, tutoring, transportation and case management support.

The department also oversees the implementation and continued maintenance of the MTSS Framework. MTSS is defined as a multi-tiered system of supports and is a proactive and preventative framework that integrates data and instruction to maximize student achievement and support students social, emotional and behavior needs.

Each school and department in our district is a Professional Learning Community where schools work in professional learning teams. Teams are established in all schools and departments in the district. Support for the work is provided through professional development for all staff. Teacher teams are meeting on a regular basis to review what students must know and be able to do, analyze and use assessment data to inform instruction and progress, and to identify supports for assisting students to improve learning. Instructional support teams (Business Services, Facilities, etc.) continue to work on effective and efficient practices within their areas of service.

Special Education

Special education continues to support, align, and integrate special education instructional goals with the general education curriculum and also work to develop a model to facilitate the transition for special education students between levels and programs within the School District.

Special Education also utilizes technology to support curriculum (Unique Learning System) that aligns with Essential Elements for our basic classrooms and Specially Designed Instruction intervention strategies for students struggling in reading and math. Ipads are used as communication devices for students with autism and others with communication needs. Chromebooks are used to support students who have difficulty writing their ideas, but are able to express their ideas verbally. Special Education has two PAES labs (Practical Assessment Exploration System) to provide vocational assessments for secondary and post-secondary students and PREP (Preparing Real Experiences for Post-secondary success) program for students who are more independent and attend school on the Oakland Community College campus. Visions Unlimited has a production workshop where students learn to make sellable products and participate in Work Based Learning Experiences.

Facilities Management

With the successful bond proposal in May 2015, the district interviewed and awarded contracts to the required consultants, including architects and engineers, to design and document the work in the bond proposal. Schools included in Phases 1 through 5 of the 2015 bond construction cycle are complete.

In March of 2020 the District successfully passed a second bond initiative (totaling \$98 million dollars). The first series of bonds were issued in June 2020 and the proceeds totaled \$67.8 million. The District successfully negotiated contracts with its Architect, Construction Manager and Technology Design Consultant. Work began on Phase I schools in June 2020. To date (August 31, 2023) bond work is complete at Lanigan Elementary, Wood Creek Elementary, Beechview Elementary, Gill Elementary, Longacre Elementary, Kenbrook Elementary, Forest Elementary, Hillside Elementary, East Middle School, Power Middle School, STEAM Academy, North Farmington High School and Farmington High School. Work continues at Farmington Community School, which will become the new home for our adult transition students (Visions Unlimited). Office renovations, parking lot resurfacing and mechanical system upgrades were recently completed at the Maxfield Education Center, the District's community support services building, that also houses our special education staff. The District's Visions Unlimited program (our adult transition students) will be moving to their new home (previously Farmington Community School and currently undergoing renovation) in January of 2024. The second series of bonds were issued in May 2023 with proceeds of \$30 million. Of the \$98 million originally approved, \$56.5 million is currently committed.

All operational departments and schools continue to practice and investigate sustainable measures, including recycling, energy management, and industrial storm water management for future generations. This past year's environmental activities included the removal of two 10,000 gallon, 40 year old underground fuel storage tanks at transportation and two tanks at facilities management. New above ground tanks have since been installed at both locations.

In the past, all 16 of the District's K-12 schools have received Michigan Green School Awards, 8 of which have been recognized as Evergreen, the highest level in the program. For the 2022-23 school year, there

were 4 schools recognized as Evergreen: Forest Elementary, Gill Elementary, STEAM Academy and Warner Middle School.

In February of 2022 the District hired ABM, a third-party custodial services company, for a three-year period due to ongoing performance issues with the previous contracted cleaning service. The District's new hybrid model utilizes twenty-two daytime head custodians and two nighttime foreman who monitor contracted services.

The District's total square footage is 1,573,322 which includes 8 elementary schools, 1 K-8 STEAM Academy, 3 middle schools, 2 high schools, 1 alternative high school, 1 early childhood school and 1 special education school. The balance of the square footage includes 4 support facilities for a total of 21 buildings.

Human Resources

There continues to be a clear focus in Human Resources on efforts to attract, recruit, and KEEP the best talent possible in order to help our students reach their maximum potential for growth. New in the 2023-24 School Year the A.R.K. Talent Model was developed to reflect this movement. These efforts include the recruitment and retention of diverse staff to better reflect our student population, as well as a teacher mentoring program, developed by talented Farmington Public Schools' teacher leaders, that support the growth and development of our new teachers throughout the school year.

Related to the impact of the pandemic, numerous student supports have been added, which enhance the literacy growth and social-emotional needs of our students. The supports include direct services to our students, as well as growth opportunities for our teachers in instructional practices.

All District employee collective bargaining units are under contract through at least the end of 2023-2024. Three-year contracts reached in 2021 with our bus drivers and mechanics (Farmington Transportation Association); and paraprofessionals and office staff (Educational Support Professionals) remain in force through June 30, 2024. Teachers and ancillary professional staff (Farmington Education Association); maintenance and nutrition services staff (Farmington Maintenance and Cafeteria); and school administrators (Farmington Association of School Administrators) are all under contract through 2024-2025. These agreements continue to recognize and value the contributions of all employees, while assuring that Farmington remains well-positioned for long-term, sustainable academic and financial health.

Business Services

Financial reports are prepared in accordance with standards of the Association of School Business Officials International criteria and the School District was recognized for this program.

Transparency information continues to be updated on the School District's website providing public access to how the School District spends its tax dollars.

The Business Office has converted to an all-electronic Purchase Order process and continues offering ACH payments (versus a paper check) to all of its vendors.

Due to the COVID-19 pandemic, the federal government provided billions of dollars to help support public school districts throughout the country. The business office has been instrumental in managing and supporting spending of these federal dollars with approximately \$22.5 million provided to Farmington Public Schools starting in 2020. Focus areas included purchase of PPE (personal protective equipment), disinfecting equipment, air purifiers for all classrooms and shared spaces, signage and posters, additional custodial support, outdoor WiFi availability at several schools, hotspots, instructional software, including a Learning Management System, as well as individualized student kits to eliminate the use of shared materials. These federal dollars are also being used to provide social emotional learning support to students, after-school tutoring, robust summer school programs, math and literacy support at the middle school level and a variety of instructional software to enhance student learning.

Farmington Schools provides the management of the nutrition services program in the Redford Union School District through a cooperative agreement.

Nutrition Services prepared and served over 177,000 breakfasts and 563,000 lunches which consisted of paid meals as well as meals paid for under the National School Lunch and Breakfast program funded by the USDA through a federal program.

Financial Report Awards

The School District has received the Association of School Business International Officials Certificate of Excellence in Financial Reporting since the 1996-1997 fiscal year for its financial reports.

Economic Outlook

As the School District completes its 29th year under Proposal A, approved by Michigan voters in 1994, revenue has not kept pace with inflation. Proposal A substantially shifted funding responsibility from the local level to the state level and from property tax as the major revenue source. The cumulative rate of per-pupil revenue increase has been about 25.1 percent since 1994, and the cumulative rate of inflation at 54.7 percent, illustrating that funding has not kept pace with the rate of inflation. The School District is dependent upon the state legislature for not only the majority of its funds, but also its funding level. In addition, various costs were shifted to local districts, which historically had been paid by the State. These include contributions to the Michigan Public School Employees' Retirement System and FICA.

The original budget for 2023-24 was created using an estimate of \$458 per pupil increase and an increase in special education funding as the State budget had not yet been approved. The May Revenue Estimating Conference revealed that both the State's General Fund as well as the State School Aid Fund continued to be in great shape. In the months that followed the May Revenue Estimating Conference, the State concluded it could make a significant investment in education. A State School Aid budget was approved on July 20, 2023 and included significant increases for schools. The State guaranteed a foundation allowance of \$9,608, an increase of \$458 per pupil, for all school districts. Farmington, a "Hold Harmless" school district, is still allowed to levy an additional amount per pupil on residential taxpayers for operating purposes. The budget also provided significant funding increases for special education, bilingual and at-risk programs as well as continued funding for school safety and pupil mental health. This was one of the largest investments in education over the last two decades, however the big question remains as to whether it is affordable into the long-term future.

The District has contracts in place with all of its bargaining units through at least June 30, 2024.

A three-year contract was settled through June 30, 2024 with the District's paraprofessional and secretarial staff, the Educational Support Professionals (ESP) and with its bus drivers, the Farmington Transportation Association (FTA). Within the ESP contract, the two-tier pay structure was eliminated and all employees moving from Tier 2 to Tier 1 were brought on closest to their current wage, but no lower. Steps are provided for the 2nd and 3rd years of the contract and on schedule wage increases for the first two years ranged from 1% to 1.5%. Longevity payments also increased and will be paid to eligible employees. Effective for the 2023-24 contract year, all ESP employees were placed at the appropriate step based upon their years of service in the District and an on schedule increase of 0.50% was added. The FTA contract also eliminated its two-tier wage structure. The contract provides for movement to the new wage schedule in year one with 2% and 5% on-schedule increases for bus drivers and mechanics, respectively. The remaining two years of the contract provide for step movement for those eligible with a 1% increase on schedule. Health insurance deductions for bus drivers were reduced from 24% to 20% over a two-year period to bring them in line with other district employees. Effective with the 2023-24 contract year, bus drivers were provided with an on schedule increase of \$2 per hour and mechanics received an on schedule increase of 2.5%. These on schedule increases supersede the previously bargained 1% on schedule increase.

A three-year contract through August 23, 2024 was reached with its teachers, the Farmington Education Association (FEA). Step increases will occur for those on the step schedule for each of the three years. Increases to the salary schedules were provided for 2022, 2023 and 2024 and equal 2.0%, 1.50% and 1.0%, respectively. Longevity payments increased and will continue to be paid to those eligible. During 2022-23, the District and Association extended the FEA contract through August 2025. The two-year contract eliminated the first 2.5 steps on the salary schedule to provide for higher starting wages to focus on attracting and keeping staff. On scale increases and step movement were also included for both years of the contract.

A two-year contract was settled through June 30, 2025 for maintenance and nutrition staff, Farmington Maintenance and Cafeteria (FMC) and with the Farmington Association of School Administrators (FASA). The FMC contract provides for step movement and on-schedule wage increases in both years. The FASA contract eliminated the first two steps of the salary schedule to provide for higher starting wages and provided for step movement and on-schedule wage increases in both years of the contract.

The State of Michigan, through the Department of Treasury, commissioned an Adequacy of Education Funding in Michigan study with results received in June 2016. Results of the equity analysis showed Michigan's school finance system to be moderately inequitable. Findings also suggested that the State may be falling short in providing additional resources for serving special needs populations. The study provided various recommendations to the State, but ultimately, it suggested that the State should work toward having a single formula allowance amount for all districts supplemented by an equalized local option operating levy that must be approved by a district's voters and that provides an avenue for local discretion on school spending levels. This recommendation sounds very similar to the funding structure for hold harmless districts currently in place. We will need to closely monitor any changes brought forward in the future to assess how they will impact our funding. Oakland Intermediate School District organized a task work group, now known as the School Finance Research Collaborative, to continue the adequacy funding study to provide more detailed recommendations on funding sources needed for today's schools.

The School Finance Research Collaborative is a diverse, broad-based and bipartisan group of business leaders and education experts from all corners of Michigan. The key findings of the study completed are:

- An identified base cost for educating a student with several factors that deserve additional funding for student characteristics including poverty, special education, English Language Learners (ELL) and Career and Technical Education (CTE).
- Identification of costs in related areas in response to school district or charter school characteristics including: transportation of students, geographic isolation, state pension system costs and enrollment size.
- Identification of the base cost of a regular education student at \$9,590 for both traditional public schools and charter schools. That amount excludes transportation, food service and capital costs, and only includes pension costs at 4.6% of wages.
- In addition to the base per-pupil cost, a percentage of the base cost should be provided for special education, English Language Learners, students living in poverty and programs to provide Career and Technical Education, and to account for geographic isolation.
- All school districts and those charter schools in the State Pension system (MPERS) should receive funding in addition to the base for the payment required by law. Currently, the required additional payment is equal to approximately 22.9% of all wages.

The current Governor has been very supportive of the Adequacy of Education Funding in Michigan study. The budget she presented in February 2023 continued to try to address funding for these specific areas. The Legislature approved and the Governor signed one of the largest state aid bills in the last two decades. The State guaranteed funding a foundation allowance per pupil of \$9,608 for all school districts in Michigan. Farmington Public Schools is still able to levy an additional \$1,876 per pupil (hold harmless millage) on its residential taxpayers for operating purposes.

Although the School District has a fund balance at the present time, the future requires that the School District continue to develop a long-term set of strategies to ensure it is able to maintain a balanced budget in the future. The Board of Education requires a targeted fund balance range of 10 percent to 15 percent of expenditures along with cost containment strategies, constant program review, and new programs to remain dynamic and has the commitment of the board and administration.

The School District's hold-harmless millage was overwhelmingly renewed by voters in August 2015, which was anticipated to bring continued levels of local operating revenue through 2025. For the past five years, the District was able to levy 18.0000 mills on all non-homestead properties due to the successful passage of a headlee override by voters in November 2017. The ballot proposal in the November 2017 election not only restored the millage rate back to 18.0000 mills but authorized an additional one mill to absorb potential future rollbacks. The State assumes the District levies the full 18.00 mills on non-homestead properties as

part of the foundation allowance formula and does not make up the loss in revenue should the millage rate be rolled back. For 2022-23, the District was initially only able to levy 17.3848 mills on non-homestead properties as the millage rate had been permanently rolled back over the last five years and was below 18.0000 mills. This resulted in a potential loss of revenue of approximately \$878,000. The District had a ballot proposal in November 2022 to restore the 0.6152 mills as well as authorize an additional one mill to absorb potential future rollbacks. Due to the successful passage of this headlee override by voters, the District was able to levy the full 18.0000 mills allowed by law and did not experience a loss of revenue.

For the last decade the School District faced declining enrollment as the birthrate in Oakland County and the State has declined significantly with exiting senior classes being approximately 350 students less than an incoming kindergarten class. The District is finally at the point where enrollment has stabilized. A third-party demographer projects the District's enrollment annually. For fiscal year 2023-24, the District used an increase of 100 pupils for budget purposes due to the stabilization of enrollment and significant applications submitted for school of choice enrollment. Early enrollment numbers appear to be on target with what was included in the 2023-24 budget.

Accounting System, Budgetary, and Internal Control

The State of Michigan requires all school districts to comply with Public Act 43 of 1963, *Budget Hearings of Local Governments* and Public Act 2 of 1968, *Uniform Budgeting and Accounting Act*. These acts require all school districts to prepare budgets for their funds, which account for the day-to-day operations of the district; however, fiduciary funds are not required to be budgeted. The budgets are prepared in accordance with generally accepted accounting principles and a specific uniform chart of accounts established by the State. Budgets must be approved no later than June 30 for the fiscal year beginning July 1, and ending June 30 the subsequent year. Prior to adoption, the Board must conduct a public hearing and make the budget available for review as well as provide notice of the hearing in a newspaper of general circulation at least six days prior to the hearing. Formal adoption of the budget is accomplished through a general appropriations resolution approved by the Board which sets forth the amounts to defray the expenditures and meet the liabilities of the District as well as a statement of estimated revenue by object in each fund. Once approved, expenditures cannot exceed the budget by function and object during the fiscal year without Board approval of revisions.

The board maintains a system of budgetary and accounting controls designed to assist management in meeting its responsibility for reporting reliable information. The system is designed to provide reasonable assurance that assets are safeguarded and transactions are recorded and executed with management's authorization. Internal control systems are subject to inherent limitations with regard to the necessity to balance cost against the benefits produced. Management believes that the existing system of budgetary and accounting control provides reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period. The board utilizes a functional budget that is prepared according to the guidelines and requirements set forth in state law and the *State Financial Reporting Manual*.

During the fiscal year, reports are generated for the budgetary funds, which include the budget, current year-to-date revenue and expenditures, revenue and expenditures over or under, and percentage over or under budget. These reports are provided to administration and each budget administrator has the capability to run their own reports as needed. The reports also detail the monthly transactions and summarize the remaining balances to be spent from the appropriations allocated for goods and services among the programs managed.

The report of the School District's independent certified public accountants, Plante & Moran, PLLC, appears on pages 1-2 of this report. Their audit of the basic financial statements was performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* and, accordingly, included a review of the board's system of budgetary and accounting controls.

Financial Policies

The following financial policies and practices of the School District had a significant impact on the School District's fiscal year 2022-2023 financial statements:

Fund Balance - Financial stability is important to maintain a strong instructional program for the students in the School District. In order to maintain financial stability, the Board of Education stipulates that the

School District target an 10 percent to 15 percent fund balance in the General Fund. Maintaining this level of fund balance helps the School District weather sudden reductions in funding, as well as provide adequate cash flow to meet its payroll and other financial obligations.

Long-Term Financial Planning – A budget timeline and budget parameters are developed with the District's Central Office Cabinet. These parameters are then presented to and discussed with the Board's Finance and Facilities Committee and then with the Board of Education at a regular public meeting. Input received at the Board meeting is incorporated. These parameters become the basis for the ensuing year's budget development and guide the forecast for an additional year. The forecast is used internally to make decisions both for the upcoming budget year and the forecasted year which promote fiscal stability, keep the Board's target fund balance percent at the forefront and provide quality educational programs for the students.

Preventative Maintenance Schedule and Plan - Maintaining the School District's facilities is important to provide a safe and healthy learning environment. The School District maintains a long-range preventative maintenance and capital projects schedule in order to keep its buildings in good working order as well as to timely identify replacement of significant components within a building. In 2010, a facilities evaluation was completed by a third-party architect. This facilities evaluation has aided the School District in identifying future capital needs based upon the ages and condition of its physical plant. In May 2015, a \$131.5 million bond proposal was passed by the electorate to address facilities needs and the related financing of these needs. The amount financed also includes dollars to replace a portion of our aging fleet of buses as well as technology upgrades. The bond financing amount was reduced by a factor to adjust for potential school closures due to projected declining enrollment. This infusion of bond money will help to alleviate the pressure within the General Fund to pay for ongoing costs for our aging facilities whose average age exceeds 50 years.

A 10-year Capital Assessment Plan was completed by a consultant in May 2019 and updated in December 2019 with the assistance of the Facilities Management Department. The assessment provided the District with a capital planning template with three major components: critical need/life-safety, deferred maintenance and property enhancements. The Plan identified needs of approximately \$85.5 million. Approximately \$20.0 million was identified for technology needs and approximately \$7.5 million identified for buses. The District's Board of Education approved a ballot proposal for a \$98.0 million bond issue which was voted on in March 2020. The bond proposal was approved by voters and the District is currently wrapping up Phase III projects which took place over the Summer of 2023 with Phase IV projects currently being planned.

Enrollment Projections - Annually, the School District hires a third-party consultant to project student enrollment figures using live birth statistics and grade progression. This assists the School District in facilities and budget planning.

Pension and Other Postemployment Benefits - The School District participates in the Michigan Public Schools Employees' Retirement System (MPERS), which is a state-administered cost-sharing multiple-employer public employee retirement system. The retirement system consists of three plans: a defined benefit plan, a hybrid plan consisting of a defined benefit plan and a defined contribution plan, and a defined contribution plan. As part of the MPERS reform approved by the Michigan Legislature and signed by the governor on September 4, 2012, all employees hired prior to July 1, 2010 were required to make an election from four options. Effective February 1, 2013, and depending on the plan selected, plan member contributions range from 0 percent up to 7.0 percent of reportable wages. Employees could elect into a defined contribution plan (DC), whereby they are not required to make additional contributions, and could also elect out of the healthcare premium subsidy and into the Personal Healthcare Fund (PHF), depending upon their date of hire and retirement plan election.

Under the MPERS act, all retirees participating in the MPERS pension plan have the option of continuing health, dental, and vision coverage through MPERS. Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPERS board of trustees annually sets the employer contribution rate to fund the benefits on a pay-as-you-go basis. Participating employers are required to contribute at that rate. Effective February 1, 2013, members can choose to contribute 3 percent of their covered payroll to the Retiree Healthcare Fund and keep this premium subsidy benefit, or they can elect not to pay the 3 percent contribution and instead choose the Personal Healthcare Fund, which can be used to pay healthcare expenses in retirement.

Members electing the Personal Healthcare Fund will be automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date and create a 2 percent employer match into the employee's 401(k) account.

The assumed rate of return within the retirement plan has been reduced over the last few years to 7.05 percent, which has the net effect of increasing the value of the retirement obligation for the plan, which in turn increases the required contributions to the plan. Additionally, for staff hired on or after February 1, 2018, the default employee election will be into a defined contribution (DC) plan; however, an employee can elect the hybrid plan within a specified timeframe. Members opting to participate in the defined contribution (DC) plan are provided with a 50 percent employer match (up to 3 percent of salary) on employee contributions. This created a change in the District's cost of the benefit for employees new to the retirement system in February 2018. Funding will continue to be provided in 2023-24 to all public school districts to help offset the additional costs for these plan changes.

Employer contribution rates are established annually by the Office of Retirement Services based upon actuarial data and estimates of future retirements in the system. A factor affecting the retirement rate computation is the number of active members for which contributions are made into the retirement system. Over the last several years, the trend in Michigan public schools is to privatize non-instructional services such as substitutes, custodians, transportation, maintenance, and food service. It has yet to be determined what effect privatization will have on future employer contribution rates.

Major Initiatives

Strategic Planning – At the end of the 2022-23 school year, Farmington Public Schools engaged the community in a conversation around the next phase of our Strategic Plan. Stakeholder feedback was gathered across the community to identify trends and areas of focus for the district.

These Leading Focus Areas include:

- Collaborative Professional Learning that supports Equity and Innovation
- Culture of Equity and Innovation
- Health and Wellness through Social and Emotional Learning
- Innovation for Teaching and Learning

Once the specific goal statements are generated, an update on the goal areas, including strategies, action steps and monitoring methods will be presented to the Board of Education in the Fall of 2023, with continued implementation during the 2023-24 school year.

District Equity Audit – An equity audit was conducted by US² during the 2020-21 school year. US² spoke with 623 stakeholders which included students, building administrators, staff members, parents, community members, board members and district administrators and received surveys back from 4,707 stakeholders. School virtual visits took place during March, April and May of 2021. Focus areas that were examined were:

- Representation/Policies & Procedures
- Culture
- Family & Community Engagement
- Teacher Leadership
- Instruction/Pedagogy
- Curriculum

US² compiled a report of findings as well as a summary of recommendations for the district, as an entity. The District is currently developing a 3 – 5 year plan, called Equity Action Plan or EAP, to address the findings and recommendations. The first tier of building out the equity action plans occurred at all building levels in the 2022-23 school year. Elementary and secondary buildings will begin implementing and working towards these identified areas. The District EAP is ongoing and will take shape during the 2023-24 school year.

Our Commitment and Alignment - The Farmington Public School stakeholder based strategic planning process created a Profile of a Lifelong Learner (which has become a part of our Board of Education goals) and an intentional set of Enduring Instructional Focus areas: Positioning, Authenticity, and Noticing. We strongly believe that it is through **positioning, authenticity, and noticing**, we craft **equitable** and **innovative** learning experiences that promote our Profile of a Lifelong Learner, our promise to the community.

- We craft learning environments that **position** each and every learner to be engaged - - in a way that they are invited into the learning, their thoughts are valued, and they know they are confident and competent to do the learning.
- We design **authentic** learning opportunities that provide each and every learner the opportunity to learn higher level thinking and problem solving skills as well as knowledge of the world and people alongside their own passions and interests.
- We actively **notice**, reflect on, and interrupt how our lived experiences, beliefs, and assumptions impact our behaviors and actions as we interact with each other and uncover the passions and interests of each and every learner.



Literacy - Literacy is a key lever in student success. Students engage with and contribute to the world through reading, writing, speaking and listening. Our focus on authentic learning experiences and integration of text sets provides the space for disciplinary literacy practice and culturally responsive instruction to take root across all subject areas. In support of students building their skills in reading and writing, we are

- resetting our professional learning and instructional approach and resources that support K-5 literacy instruction with a focus on foundational skills development and knowledge-building curriculum that develops reading, writing, thinking, and speaking skills with the use of information rich texts.
- shifting instructional practice aligned to the Essential Practices for Literacy Instruction in the Secondary ELA Classroom which is supported by intentional professional learning and resource support.
- utilizing computer adaptive technology to support students content area needs.
- exploring and ensuring ways to structure for and provide best practice strategies opportunities to accelerate student learning.

Mathematics - Our student-centered mathematics work is focused on providing students engaging non-routine tasks, fostering curiosity and flexibility in their thinking, ensuring equitable participation, and making use of tools and manipulatives to make sense of key mathematical concepts. With this focus, we can support students in developing both their procedural and conceptual understanding. To this end, we are

- providing for intentional professional learning opportunities for staff at each grade band centered on student-centered mathematics practices.
- utilizing computer adaptive technology to support student content area needs.
- exploring and ensuring ways to structure for and provide best practice strategies and opportunities to accelerate student learning.

A.R.K. Talent Model - There continues to be a clear focus in Human Resources on efforts to attract, recruit, and KEEP the best talent possible in order to help our students reach their maximum potential for growth. The A.R.K. Talent Model was developed to reflect this movement. These efforts include the recruitment and retention of diverse staff to better reflect our student population, as well as a teacher mentoring program, developed by talented Farmington Public Schools' teacher leaders, that support the growth and development of our new teachers throughout the school year.

Capital Planning – On May 5, 2015, a \$131.5 million bond proposal was approved by voters. The proposal was the culmination of work that occurred during the 2013-14 fiscal year by the Capital Planning Advisory

Committee. The committee presented its recommendations in the summer of 2014. The work of the Committee stemmed from the prior work of the Facilities Forward study team which created a broad vision to address the critical facilities needs across the district including learning spaces and tools to be able to support our staff in having what they need to achieve great results with their students. In addition, a Building and Site Utilization Committee provided a recommendation on the number of facilities that will be retained by the District. Their work was based upon enrollment trends, as the full amount of needs exceeded over \$140 million for the District to retain all existing buildings, but was reduced to incorporate enrollment trends. As part of the bond work, the District expanded and renovated one of its early childhood centers, Alameda, which will allow for all early childhood programs to operate in one building. The newly renovated and expanded site opened in the Fall of 2020 and was renamed Farmington Early Childhood Center. Due to increasing student numbers at the post-secondary level, ages 18-26, the previously closed Farmington Community School is being renovated to house this program. A portion of the 2015 bond is being utilized for this renovation with the remainder of the funds coming from the 2020 bond. The “new” Visions Unlimited building is anticipated to be completed in late fall with an opening date of January 2024. Remaining bond dollars from the 2015 bond will be expended by August 31, 2023.

A 10-year Capital Assessment Plan was completed by a consultant in May 2019 and updated in December 2019 with the assistance of the Facilities Management Department. The assessment provided the District with a capital planning template with three major components: critical need/life-safety, deferred maintenance and property enhancements. The Plan identified needs of approximately \$85.5 million. Approximately \$20.0 million was identified for technology needs and approximately \$7.5 million identified for buses. The District’s Board of Education approved a ballot proposal for a \$98.0 million bond issue which was voted on in March 2020. The bond proposal was approved by voters and the District is currently wrapping up Phase III projects which took place over the Summer of 2023 with Phase IV projects currently being planned.

Independent Audit

The School District’s financial statements were audited by Plante & Moran, PLLC, certified public accountants, as of June 30, 2023. Their audit was made in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. The financial statements present fairly the financial position of Farmington Public School District at June 30, 2023. Their audit also included the single audit on federal awards, a copy of which can be obtained from the School District’s business office.

Excellence in Financial Reporting

The School District is committed to providing its citizens and other users with comprehensive financial reporting. For school districts meeting the requirements of a Comprehensive Annual Financial Report, the Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting. The School District received a Certificate of Excellence in Financial Reporting from the ASBO for its Comprehensive Annual Financial Report for the fiscal years ended June 30, 1997 through June 30, 2022.

In order to be awarded a certificate of excellence, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A certificate of excellence is valid for a period of one year only. We believe our current report conforms to program standards and we are submitting our report to the ASBO to determine its eligibility for this certificate.

Acknowledgments

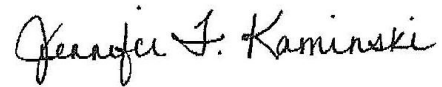
The preparation of this report on a timely basis could not have been accomplished without the effort and dedicated services of the entire staff of the business department. We would like to express our appreciation to all the members of this office who assisted in the timely closing of the School District’s financial records and the preparation of this report.

Also, we would like to express our appreciation to other departments and individuals who assisted in the preparation of this report.

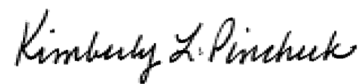
Sincerely,

Handwritten signature of Christopher J. Delgado in black ink.

Christopher J. Delgado, Ph.D.
Superintendent

Handwritten signature of Jennifer F. Kaminski in black ink.

Jennifer F. Kaminski
Assistant Superintendent for Business Services

Handwritten signature of Kimberly L. Pincheck in black ink.

Kimberly L. Pincheck
Finance Director

Farmington Public School District

District Officials

Administration

Dr. Christopher J. Delgado
Superintendent of Schools

Dr. Kelly M. Coffin
Assistant Superintendent,
Innovation and Strategic Initiatives

Bradley Paddock
Assistant Superintendent, Human
Resources and Talent Development

Jennifer F. Kaminski
Assistant Superintendent,
Business Services

Dr. Lydia Moore
Executive Director, Special Education

Jon Barth
Director, Facilities Management and
Transportation

Diane Bauman
Director, School/Community Relations and
Pupil Accounting

Board of Education

Dr. Cheryl B. Blau
President

Claudia T. Heinrich
Vice President

Terri A. Weems
Treasurer

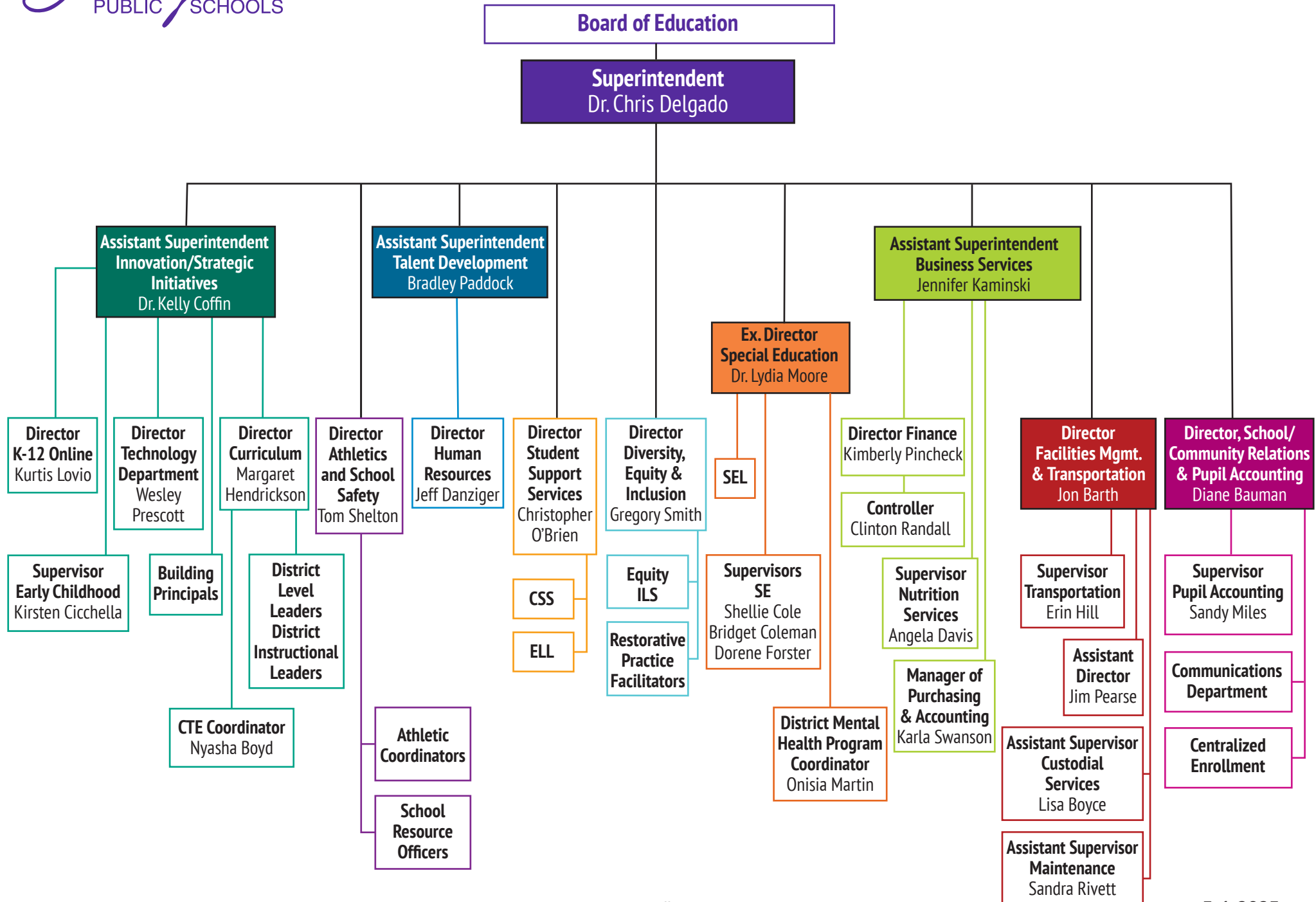
Zach T. Rich
Secretary

Mable S. Fox
Trustee

Angie F. Smith
Trustee

Donald Walker, Jr.
Trustee

Administrative Organizational Chart





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Farmington Public School District

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

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



John W. Hutchison
President

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

Independent Auditor's Report

To the Board of Directors
Farmington Public School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Farmington Public School District as of June 30, 2023 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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.

To the Board of Directors
Farmington Public School District

In performing an audit in accordance with GAAS 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Supplementary Information

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

Other Information

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

To the Board of Directors
Farmington Public School District

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2023 on our consideration of Farmington Public School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Farmington Public School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Farmington Public School District's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 9, 2023

This section of Farmington Public School District's (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2023. Please read it in conjunction with the School District's basic 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 financial statements. These statements are organized so the reader can understand Farmington Public School District financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds - the General Fund, the 2020 Building and Site Fund, and the 2023 Building and Site Fund - with all other funds presented in one column as nonmajor funds.

Management's Discussion and Analysis (MD&A) (Required Supplementary Information)

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Basic Financial Statements

Required Supplementary Information

Budgetary Information for Major Fund

Schedules of Proportionate Share of the Net Pension and OPEB Liabilities

Schedules of Pension and OPEB Contributions

Other Supplementary Information

In addition, the School District has added the introductory section and the statistical section to compile its Annual Comprehensive Financial Report.

Reporting the School District as a Whole - Government-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

Farmington Public School District

Management's Discussion and Analysis (Continued)

These two statements report the School District's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and nutrition services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the School District's Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Nutrition Services Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

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 an accounting method called modified accrual 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 District and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District'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 a reconciliation.

Proprietary Funds

Proprietary fund reporting focuses on the economic resources measurement and an accounting method called full accrual accounting. The proprietary fund statements present a long-term view of operations and the services provided to other funds. The School District established a proprietary fund, specifically the internal service fund, to finance specific services provided to other funds of the School District on a cost-reimbursement basis. The specific services represent health insurance benefits.

Farmington Public School District

Management's Discussion and Analysis (Continued)

The School District as a Whole

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

	Governmental Activities	
	2023	2022
	(in millions)	
Assets		
Current and other assets	\$ 134.1	\$ 122.9
Capital assets	203.2	181.9
Total assets	337.3	304.8
Deferred Outflows of Resources	102.2	49.5
Liabilities		
Current liabilities	32.9	28.5
Noncurrent liabilities	489.5	364.7
Total liabilities	522.4	393.2
Deferred Inflows of Resources	71.0	132.9
Net Position (Deficit)		
Net investment in capital assets	61.4	65.4
Restricted	6.8	4.3
Unrestricted	(222.1)	(241.5)
Total net position (deficit)	<u>\$ (153.9)</u>	<u>\$ (171.8)</u>

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was \$(153.9) million at June 30, 2023. Net investment in capital assets totaling \$61.4 million compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position (\$(222.1) million) was unrestricted.

The \$(222.1) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact from adoption of GASB Statement Nos. 68 and 75 (recording the School District's share of the net pension and OPEB liabilities from the state-managed retirement system). Unrestricted net position, when available, would enable the School District to meet working capital and cash flow requirements and to provide for future uncertainties. The operating results of the General Fund and the change in the net pension/OPEB liabilities will have a significant impact on the change in unrestricted net position (deficit) from year to year.

Farmington Public School District

Management's Discussion and Analysis (Continued)

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2023 and 2022:

	Governmental Activities	
	2023	2022
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 3.7	\$ 2.2
Operating grants	55.4	50.4
General revenue:		
Taxes	55.9	53.4
State aid not restricted to specific purposes	56.7	54.8
Other	6.3	0.9
Total revenue	178.0	161.7
Expenses		
Instruction	84.0	72.1
Support services	56.1	49.0
Athletics	1.9	1.6
Nutrition services	3.6	3.2
Community services	2.2	1.5
Interdistrict payments	1.0	0.9
Debt service	5.9	5.8
Depreciation expense (unallocated)*	5.4	4.2
Total expenses	160.1	138.3
Change in Net Position	17.9	23.4
Net Position (Deficit) - Beginning of year	(171.8)	(195.2)
Net Position (Deficit) - End of year	<u><u>\$ (153.9)</u></u>	<u><u>\$ (171.8)</u></u>

*Unallocated depreciation excludes direct depreciation expenses of the various programs.

As reported in the statement of activities, the cost of all of our governmental activities this year was \$160.1 million. Certain activities were partially funded from those who benefited from the programs (\$3.7 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$55.4 million). We paid for the remaining public benefit portion of our governmental activities with \$55.9 million in taxes, \$56.7 million in state foundation allowance, and other revenue (i.e., interest and general entitlements).

The School District experienced an increase in net position of \$17.9 million, primarily due to the change in the School District's pension and OPEB liability and related deferred inflows and outflows.

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

Farmington Public School District

Management's Discussion and Analysis (Continued)

The School District's Funds

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

As the School District completed this year, the governmental funds reported a combined fund balance of \$100.9 million, which is an increase of \$7.2 million from last year. The primary reasons for the increase are as follows:

In the General Fund, our principal operating fund, the fund balance increased by \$5.4 million to \$37.0 million. The change is due mainly to additional state revenue in the base foundation allowance and property tax revenue received and onetime funds received in other financing sources. Excluding federal and state grant budget variances, revenue exceeded projections by \$2.9 million, and expenditures were under projections by \$2.5 million.

The capital projects 2020 Building and Site Fund contains the proceeds of the 2020 bond issue. The revenue in this fund is primarily interest earned on investments, which is kept in the fund to use toward capital improvements. The capital outlay during the year was for the purchase of school buses, technology equipment, and building and playground improvements. Fund balance decreased by \$24.5 million to \$23.6 million. The 2020 bond construction projects are estimated to be approximately 68 percent complete at the end of the year, with the remaining funds to be fully expended by June 30, 2025.

The capital projects 2023 Building and Site Fund contains the proceeds of the 2023 bonds, which were issued in May 2023 for \$30.1 million. The revenue in this fund is primarily interest earned on investments, which is kept in the fund to use toward capital improvements. The 2023 bond construction projects are expected to commence in 2024 as the 2020 bond construction is nears completion.

Combined, the fund balance of our debt service funds increased by \$766,000. Millage rates were kept flat as property values increased. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt service fund balances are reserved since they can be used only to pay debt service obligations.

Combined, the fund balance of our capital projects funds decreased by \$1.0 million. This decrease is due primarily to continued construction related to the 2018 and 2020 bond issues, offset by the issuance of the 2023 bond in May 2023. The 2018 and 2020 bond construction projects are estimated to be approximately 99.0 percent and 29.6 percent complete at the end of the year, with the remaining funds to be expended in full by June 30, 2024.

The Maintenance/Bus Purchases capital projects fund was created during the 2004-2005 fiscal year to separate large capital and nonoperating expenditures from general operating obligations of the School District. Transfers from the General Fund are made to this fund based upon capital projects needs for future fiscal years. A transfer of \$1.3 million was made during the year.

The Technology/Other Projects Fund is funded through transfers from the General Fund. A transfer of \$700,000 was made during the year to address future technology needs when bond dollars are fully expended from the 2020 and 2023 bond issues.

With the adoption of GASB 84, the School District created the Student Activities special revenue fund to account for activities previously reported as fiduciary funds. Fund balance decreased slightly for the year ended June 30, 2023 as a result of increased participation in student clubs and programs.

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in June 2023. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplementary information of these financial statements.

Farmington Public School District

Management's Discussion and Analysis (Continued)

There were significant revisions made to the 2022-2023 General Fund original budget. Budgeted revenue was increased by \$20.1 million due to an increase in local revenue (\$2.2 million) for property taxes, Medicaid fee for service, interest revenue, and other miscellaneous revenue; an increase in state revenue (\$16.8 million) due to an increase in the base foundation allowance, increased funding for the MPSERS retirement costs (which included a significant one-time payment of \$7.5 million), and state grant funding for Mental Health, Safety and Security and At-Risk programs; an increase in federal grant funds (\$1.9 million) based upon current grant awards mainly due to ESSER III (ARP) grant funding provided to schools; a decrease in interdistrict revenue (\$0.8 million) due to reduced special education funding distributions from the Intermediate School District (ISD), as well as elimination of grant funded programs through the ISD; and an increase in other financing sources (\$1.1 million) for the assignment of the cell tower leases on one of the high school properties.

Budgeted expenditures were also increased by \$17.5 million to account for actual staffing in place, current contractual obligations, and current grant awards (which included significant new state and federal dollars).

The difference between final budgeted revenue and actual revenue was \$12.2 million, or 6.9 percent less than budgeted. The difference, on a net basis, included higher than anticipated property taxes and interest revenue; more state revenue due to a higher than anticipated enrollment for graduation alliance; and additional MPSERS offset funds and other state and federal revenue recorded based upon expenditures made, where these grants are budgeted at the full award amount.

The difference between final budgeted expenditures and actual expenditures was approximately \$15.5 million, or 8.9 percent less than budgeted. The reasons for the differences, on a net basis, are as follows:

- Grant expenditures, budgeted upon award amounts, were below projections by approximately \$12,800,000.
- Utility costs were under projections by approximately \$106,000.
- Employee wage and wage-related benefit costs were below projections by approximately \$1,445,000 due to vacant positions throughout the year. Of this variance, \$685,000 relates to wages and \$760,000 is for benefits.
- Repairs were above projections by \$64,000.
- Teachers and paraprofessional sub costs exceeded projections by approximately \$231,000.
- Contacted services were above projections by approximately \$440,000.
- License fees for software were above projections by approximately \$83,000.
- Contracted transportation for special education was below projections by approximately \$60,000.
- Teaching supplies and textbook purchases were below projections by approximately \$672,000.
- Departmental budgets, on a net basis, were above projections by approximately \$31,000.
- Contracted services for custodial services were below projections by approximately \$74,000.
- Gas, oil, and repair parts costs were below projections by approximately \$238,000.
- Tax tribunal costs were below projections by approximately \$45,000.
- Tuition costs paid to other districts were below projections by \$175,000.

Farmington Public School District

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2023, the School District had \$203.2 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This represents a net increase (including additions, disposals, and depreciation) of approximately \$21.3 million from 2022 to 2023.

	Governmental Activities	
	2023	2022
Land	\$ 683,744	\$ 683,744
Construction in progress	33,962,402	8,062,679
Buildings and improvements	254,571,811	254,506,227
Furniture and equipment	26,294,345	22,713,384
Buses and other vehicles	11,416,192	10,386,860
Total capital assets	326,928,494	296,352,894
Less accumulated depreciation	123,757,860	114,472,721
Total capital assets - Net of accumulated depreciation	<u><u>\$ 203,170,634</u></u>	<u><u>\$ 181,880,173</u></u>

This year's additions of \$2.3 million included buses, district signage, various classroom/school equipment, kitchen appliances, and custodial equipment

This year's disposals of \$212,000 included the disposal of buses and obsolete furniture and equipment. We present more detailed information about our capital assets in the notes to the basic financial statements.

Debt

At the end of this year, the School District had \$174.0 million in bonds outstanding versus \$153.7 million in the previous year - a change of 13.2 percent. Those bonds consisted of the following:

	2023	2022
2015 general obligation bonds	\$ 50,335,000	\$ 53,405,000
2018 general obligation bonds	43,425,000	45,575,000
2020 general obligation bonds	53,200,000	54,675,000
2023 general obligation bonds	27,015,000	-
Total	<u><u>\$ 173,975,000</u></u>	<u><u>\$ 153,655,000</u></u>

The School District's general obligation bond rating continues to be Aa3 and was reviewed and affirmed in May 2020 by Moody's. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues qualified debt (i.e., debt backed by the State of Michigan), such obligations are not subject to this debt limit. The School District does not currently have any outstanding unqualified general obligation debt.

Other obligations include accrued vacation pay, sick leave, and workers' compensation self-insurance. We present more detailed information about our long-term liabilities in the notes to the basic financial statements.

Farmington Public School District

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2023-2024 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2023-2024 budget was adopted in June 2023 with an increase in enrollment of 100 students. Approximately 68 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot assess additional property tax revenue for general operations. As a result, district 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 on target with the estimates used in creating the 2023-2024 budget. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the School District'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 revenue to fund its appropriation to the School District. The State periodically holds a Consensus Revenue Estimating Conference to estimate revenue. Based on the results of the most recent conference, the State estimates funds are sufficient to fund all school districts at a targeted foundation allowance of \$9,608 per pupil. The School District will be able to levy its hold harmless per pupil of \$1,876, which brings the overall foundation allowance to \$11,484, an increase of \$458 from 2022-2023.

The School District has contracts in place with all of its employee groups through at least June 30, 2024. A three-year contract through August 23, 2024 was reached with its teachers, the Farmington Education Association (FEA). Step increases will occur for those on the step schedule for each of the three years. Increases to the salary schedules were provided for 2022, 2023, and 2024 and equal 2.0 percent, 1.50 percent, and 1.0 percent, respectively. Longevity payments increased and will continue to be paid to those eligible. During 2022-2023, the School District and FEA extended the FEA contract through August 2025. The two-year contract eliminated the first 2.5 steps on the salary schedule to provide for higher starting wages to focus on attracting and keeping staff. On-scale increases and step movement were also included for both years of the contract.

A three-year contract was settled through June 30, 2024 with the School District's paraprofessional and secretarial staff, the Educational Support Professionals (ESP), and with its bus drivers, the Farmington Transportation Association (FTA). Within the ESP contract, the two-tier pay structure was eliminated and all employees moving from Tier 2 to Tier 1 were brought on closest to their current wage, but no lower. Steps are provided for the 2nd and 3rd years of the contract and on-schedule wage increases for the first two years ranged from 1 percent to 1.5 percent. Longevity payments also increased and will be paid to eligible employees. Effective for the 2023-2024 contract year, all ESP employees were placed at the appropriate step based upon their years of service in the School District and an on-schedule increase of 0.50 percent was added. The FTA contract also eliminated its two-tier wage structure. The contract provides for movement to the new wage schedule in year one with 2 percent and 5 percent on-schedule increases for bus drivers and mechanics, respectively. The remaining two years of the contract provide for step movement for those eligible with a 1 percent increase on schedule. Health insurance deductions for bus drivers were reduced from 24 percent to 20 percent over a two-year period to bring them in line with other district employees. Effective with the 2023-2024 contract year, bus drivers were provided with an on-schedule increase of \$2 per hour and mechanics received an on-schedule increase of 2.5 percent. These on-schedule increases supersede the previously bargained 1 percent on-schedule increase.

A two-year contract was settled through June 30, 2025 for maintenance and nutrition staff, Farmington Maintenance and Cafeteria (FMC), and for school administrators, the Farmington Association of School Administrators (FASA). The FMC contract provides for step movement and on-schedule wage increases in both years. The FASA contract eliminated its two-tier wage structure and provided for step movement and on-schedule wage increases in both years of the contract.

The significant one-time federal funds provided will require the School District to carefully monitor its budget for 2023-2024, as well as in future years. Decisions made at the federal and state level related to financial resources will also need to be monitored, as they will have a direct impact on the School District's budget. As information becomes known by the School District, the budget will be reviewed and adjusted as needed to ensure adequate resources are available both now and in the future.

Farmington Public School District

Management's Discussion and Analysis (Continued)

Contacting the School District's Management

This financial report is intended to provide our taxpayers, parents, and investors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the business office.

Farmington Public School District

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Cash and investments (Note 4)	\$ 50,484,466
Receivables:	
Taxes	62,000
Accounts receivable	18,064
Due from other governmental units	19,870,821
Inventory	158,818
Prepaid expenses	1,361,091
Restricted assets (Note 4)	62,195,081
Capital assets:	
Assets not subject to depreciation (Note 6)	34,646,146
Assets subject to depreciation - Less accumulated depreciation of \$123,757,860 (Note 6)	168,524,488
Total assets	337,320,975
Deferred Outflows of Resources	
Deferred pension costs (Note 10)	82,282,741
Deferred OPEB costs (Note 10)	19,932,738
Total deferred outflows of resources	102,215,479
Liabilities	
Accounts payable	8,965,046
Accrued liabilities and other	19,688,386
Unearned revenue (Note 5)	4,198,061
Noncurrent liabilities:	
Due within one year (Note 8)	9,063,293
Due in more than one year:	
Compensated absences and other long-term liabilities (Note 8)	2,051,184
Net pension liability (Notes 8 and 10)	279,108,323
Net OPEB liability (Notes 8 and 10)	15,932,059
Bonds - Net of current portion (Note 8)	183,348,276
Total liabilities	522,354,628
Deferred Inflows of Resources	
Revenue in support of pension contributions made subsequent to the report date (Note 10)	20,262,337
Deferred pension cost reductions (Note 10)	14,595,385
Deferred OPEB cost reductions (Note 10)	36,175,337
Total deferred inflows of resources	71,033,059
Net Position (Deficit)	
Net investment in capital assets	61,419,135
Restricted:	
Debt service	482,320
Capital projects	3,779,147
Nutrition services	2,520,067
Unrestricted	(222,051,902)
Total net position (deficit)	<u><u>\$ (153,851,233)</u></u>

Farmington Public School District

Statement of Activities

Year Ended June 30, 2023

	Expenses	Program Revenue		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Primary government - Governmental activities:				
Instruction	\$ 84,041,376	\$ 221,847	\$ 32,803,828	\$ (51,015,701)
Support services	56,044,351	282,387	20,012,907	(35,749,057)
Athletics	1,854,398	555,314	-	(1,299,084)
Nutrition services	3,562,282	1,575,508	2,593,675	606,901
Community services	2,161,849	1,083,322	-	(1,078,527)
Interdistrict payments	1,037,305	-	-	(1,037,305)
Interest on long-term debt and other	5,714,968	-	-	(5,714,968)
Other debt costs	232,377	-	-	(232,377)
Depreciation expense (unallocated)*	5,402,592	-	-	(5,402,592)
Total primary government	\$ 160,051,498	\$ 3,718,378	\$ 55,410,410	(100,922,710)
General revenue:				
Taxes:				
Property taxes - Levied for general purposes				42,256,475
Property taxes - Levied for debt services				13,618,668
State aid not restricted to specific purposes				56,653,291
Interest and investment earnings				3,834,529
Other				2,481,612
Total general revenue				118,844,575
Change in Net Position				17,921,865
Net Position (Deficit) - Beginning of year				(171,773,098)
Net Position (Deficit) - End of year				<u>\$(153,851,233)</u>

*Unallocated depreciation excludes direct depreciation expenses of the various programs.

Farmington Public School District

Governmental Funds Balance Sheet

June 30, 2023

	General Fund	2020 Building and Site Fund	2023 Building and Site Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Note 4)	\$ 40,854,443	\$ -	\$ -	\$ 5,038,131	\$ 45,892,574
Receivables:					
Taxes	62,000	-	-	-	62,000
Accounts receivable	11,995	-	-	6,069	18,064
Due from other governmental units	19,753,842	-	-	116,979	19,870,821
Due from other funds (Note 7)	859,461	775,814	-	3,440,132	5,075,407
Inventory	92,423	-	-	66,395	158,818
Prepaid expenses	1,313,210	-	-	538	1,313,748
Restricted assets (Note 4)	-	28,786,230	30,110,149	3,298,702	62,195,081
Total assets	\$ 62,947,374	\$ 29,562,044	\$ 30,110,149	\$ 11,966,946	\$ 134,586,513
Liabilities					
Accounts payable	\$ 1,627,744	\$ 5,990,982	\$ -	\$ 828,420	\$ 8,447,146
Due to other funds (Note 7)	4,215,946	-	-	810,139	5,026,085
Accrued payroll and other liabilities	15,988,417	-	-	6,248	15,994,665
Unearned revenue (Note 5)	4,114,680	-	-	83,381	4,198,061
Total liabilities	25,946,787	5,990,982	-	1,728,188	33,665,957
Fund Balances					
Nonspendable:					
Inventory	92,423	-	-	66,395	158,818
Prepays	1,313,210	-	-	538	1,313,748
Restricted:					
Debt service	-	-	-	1,698,695	1,698,695
Capital projects	-	23,571,062	30,110,149	128,008	53,809,219
Nutrition services	-	-	-	2,453,134	2,453,134
Committed:					
Capital projects	-	-	-	5,046,066	5,046,066
Contractual obligations - Retirement and sick pay	2,051,184	-	-	-	2,051,184
Contractual obligations - Vacation pay	394,703	-	-	-	394,703
Cash flow deficiency for 2023-2024	4,584,308	-	-	-	4,584,308
Student activities	-	-	-	845,922	845,922
Assigned - Instructional initiatives	500,000	-	-	-	500,000
Unassigned	28,064,759	-	-	-	28,064,759
Total fund balances	37,000,587	23,571,062	30,110,149	10,238,758	100,920,556
Total liabilities and fund balances	\$ 62,947,374	\$ 29,562,044	\$ 30,110,149	\$ 11,966,946	\$ 134,586,513

Farmington Public School District

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2023

Fund Balances Reported in Governmental Funds	\$ 100,920,556
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
Cost of capital assets	326,928,494
Accumulated depreciation	<u>(123,757,860)</u>
Net capital assets used in governmental activities	203,170,634
Bonds payable obligations are not due and payable in the current period and are not reported in the funds	(191,781,571)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,216,375)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(2,445,887)
Provision for health and/or workers' compensation claims not accounted for within the internal service fund	(235,295)
Net pension liability and related deferred inflows and outflows	(211,420,967)
Net OPEB liability and related deferred inflows and outflows	(32,174,658)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	(20,262,337)
Internal service funds are included as part of governmental activities	<u>1,594,667</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (153,851,233)</u></u>

Farmington Public School District

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2023

	General Fund	2020 Building and Site Fund	2023 Building and Site Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Local sources	\$ 47,536,894	\$ 1,496,528	\$ 255,557	\$ 16,946,185	\$ 66,235,164
State sources	95,770,311	-	-	446,948	96,217,259
Federal sources	9,634,875	-	-	2,310,253	11,945,128
Interdistrict sources	11,433,667	-	-	8,413	11,442,080
Total revenue	164,375,747	1,496,528	255,557	19,711,799	185,839,631
Expenditures					
Current:					
Instruction	94,833,432	-	-	-	94,833,432
Support services	57,997,460	-	-	1,199,256	59,196,716
Athletics	2,025,807	-	-	-	2,025,807
Nutrition services	-	-	-	3,789,337	3,789,337
Community services	2,030,442	-	-	-	2,030,442
Debt service:					
Principal	-	-	-	6,695,000	6,695,000
Interest on long-term debt and other	-	-	-	6,530,706	6,530,706
Other debt costs	-	-	232,377	-	232,377
Capital outlay	350,487	26,002,730	-	7,095,289	33,448,506
Interdistrict payments	1,037,305	-	-	-	1,037,305
Total expenditures	158,274,933	26,002,730	232,377	25,309,588	209,819,628
Excess of Revenue Over (Under) Expenditures	6,100,814	(24,506,202)	23,180	(5,597,789)	(23,979,997)
Other Financing Sources (Uses)					
Face value of debt issued (Note 8)	-	-	27,015,000	-	27,015,000
Proceeds from sale	1,132,315	-	-	-	1,132,315
Premium on debt issued (Note 8)	-	-	3,071,969	-	3,071,969
Transfers in (Note 7)	137,957	-	-	2,000,000	2,137,957
Transfers out (Note 7)	(2,000,000)	-	-	(137,957)	(2,137,957)
Total other financing (uses) sources	(729,728)	-	30,086,969	1,862,043	31,219,284
Net Change in Fund Balances	5,371,086	(24,506,202)	30,110,149	(3,735,746)	7,239,287
Fund Balances - Beginning of year	31,629,501	48,077,264	-	13,974,504	93,681,269
Fund Balances - End of year	<u><u>\$ 37,000,587</u></u>	<u><u>\$ 23,571,062</u></u>	<u><u>\$ 30,110,149</u></u>	<u><u>\$ 10,238,758</u></u>	<u><u>\$ 100,920,556</u></u>

Farmington Public School District

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2023

Net Change in Fund Balances Reported in Governmental Funds	\$ 7,239,287
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capitalized capital outlay	30,788,092
Depreciation expense	(9,497,631)
Revenue in support of pension contributions made subsequent to the measurement date	(8,998,582)
Issuing debt, net of premiums and discounts, provides current financial resources to governmental funds, but increase long-term liabilities in the statement of net position	30,086,969
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds	(52,484,242)
Interest expense is recognized in the government-wide statements as it accrues	(178,958)
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	21,197,227
Internal service funds are included as part of governmental activities:	
All other items	(230,297)
Change in Net Position of Governmental Activities	<u>\$ 17,921,865</u>

Farmington Public School District

Proprietary Fund Statement of Net Position

June 30, 2023

	Benefit Stabilization Fund
Assets	
Current assets:	
Cash and investments (Note 4)	\$ 4,591,892
Prepaid expenses	<u>47,343</u>
Total assets	4,639,235
Liabilities	
Current liabilities:	
Accounts payable	517,900
Due to other funds (Note 7)	49,322
Accrued other liabilities (Note 9)	<u>2,477,346</u>
Total liabilities	<u>3,044,568</u>
Net Position - Unrestricted	<u><u>\$ 1,594,667</u></u>

Farmington Public School District

Proprietary Fund Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2023

	Benefit Stabilization Fund
Operating Revenue	
Charges for services	\$ 15,177,885
Other	1,118,472
Total operating revenue	16,296,357
Operating Expenses - Cost of insurance claims	16,652,499
Operating Loss	(356,142)
Nonoperating Revenue - Interest income	125,845
Change in Net Position	(230,297)
Net Position - Beginning of year	1,824,964
Net Position - End of year	<u><u>\$ 1,594,667</u></u>

Farmington Public School District

Proprietary Fund Statement of Cash Flows

Year Ended June 30, 2023

	Benefit Stabilization Fund
Cash Flows from Operating Activities	
Receipts from interfund services	\$ 15,230,388
Claims paid and premiums paid	(16,956,771)
Other receipts	1,118,472
Net cash and investments used in operating activities	(607,911)
Cash Flows Provided by Investing Activities - Interest	125,845
Net Decrease in Cash and Investments	(482,066)
Cash and Investments - Beginning of year	5,073,958
Cash and Investments - End of year	\$ 4,591,892
Reconciliation of Operating Loss to Net Cash and Investments from Operating Activities	
Operating loss	\$ (356,142)
Adjustments to reconcile operating loss to net cash from operating activities -	
Changes in assets and liabilities:	
Prepays	1,107
Due to and from other funds	52,503
Accounts payable	(392,066)
Accrued liabilities	86,687
Total adjustments	(251,769)
Net cash and investments used in operating activities	\$ (607,911)

June 30, 2023

Note 1 - Nature of Business

Farmington Public School District (the "School District") is a school district in the state of Michigan that provides educational services to students.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. 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 primary government. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

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

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

June 30, 2023**Note 2 - Significant Accounting Policies (Continued)*****Fund Accounting***

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the School District to show the particular expenditures for which specific revenue is used. The various funds are aggregated into two broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. The School District reports the following funds as major governmental funds:

The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.

The 2020 Building and Site Fund is a capital projects fund used to record bond proceeds and other revenue and disbursement of invoices specifically related to the remodeling of buildings for safety and security improvements; construction additions to, equipping, furnishing, reequipping, refurnishing, and remodeling buildings, including classroom, auditorium, and media center improvements; improving and developing sites, including outdoor athletic facilities, playgrounds, and structures; acquiring school buses; and acquiring and installing technology infrastructure and equipment. The fund operates until the purpose for which it was created is accomplished.

The 2023 Building and Site Fund is a capital projects fund used to record bond proceeds and other revenue and disbursement of invoices specifically related to the remodeling of School District buildings for updates to facility infrastructures; including enhancing the School District's efforts in technology integration to support student learning and developing playgrounds and structures in the School District; and acquiring school buses. The fund operates until the purpose for which it was created is accomplished.

Additionally, the School District reports the following nonmajor governmental fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The School District's special revenue funds include the Nutrition Services and Student Activities funds. The Nutrition Services Fund accounts for the activities associated with providing meals to students and the Student Activities Fund accounts for activities related to the transactions of student groups for school and school-related purposes. Any operating deficit generated by these activities is the responsibility of the General Fund.

Capital projects funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, and equipment; technology upgrades; and remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.

Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the School District).

June 30, 2023**Note 2 - Significant Accounting Policies (Continued)**

The School District's internal service fund (the Benefit Stabilization Fund) is used to finance services provided to other funds on a cost-reimbursement basis. The internal service fund maintained by the School District is for medical benefits liabilities, including health, dental, and vision; administrative expenses; costs of life insurance; and long-term disability benefits. It is funded through charges to the General Fund in amounts equal to the normal estimated medical benefits expense expected to be incurred subsequent to year end and contributions from employees for their share of medical benefits.

Interfund Activity

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Furthermore, 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, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the School District has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School District considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

Proprietary funds and fiduciary funds, as applicable, use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions**Cash and Investments**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments with an original maturity of greater than one year are stated at fair value, net acquisition value, or amortized cost depending on the nature of the investment. Pooled investment income from each of the School District's funds is directly allocated to each fund with an actual cash or investment account.

Note 2 - Significant Accounting Policies (Continued)

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid costs of governmental funds are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

The unspent bond proceeds and related interest of the 2018, 2020, and 2023 Building and Site Funds require amounts to be set aside for construction. In addition, the unspent property taxes levied on the debt service funds are required to be set aside for future bond principal and interest. These amounts have also been classified as restricted assets.

Capital Assets

Capital assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend the asset life are not capitalized. The School District does not have infrastructure-type assets.

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings and improvements	20-50
Furniture and equipment	5-10
Buses and other vehicles	5-10

Construction in progress and land are not depreciated. Construction in progress is reclassified to the appropriate category once placed in service. It is then depreciated according to the useful lives listed in the above table.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

June 30, 2023**Note 2 - Significant Accounting Policies (Continued)**

The School District reports deferred outflows related to deferred pension and OPEB costs.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The School District reports deferred inflows related to revenue in support of pension contributions made subsequent to the measurement date and deferred pension and OPEB plan cost reductions.

Net Position

Net position of the School District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

The School District will sometimes 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 District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, 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 nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

June 30, 2023**Note 2 - Significant Accounting Policies (Continued)**

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by passing a resolution prior to the end of the fiscal year, commit fund balance. Once passed, the limitation imposed by the resolution remains in place until a similar action is taken (the passing of another resolution) to remove or revise the limitation. The Board of Education has committed certain funds to ensure cash flow stabilization of the School District when cash flow is at the lowest point during the year and mitigate the need to borrow from a financial institution. This amount, as determined and adjusted on an annual basis as part of the budget preparation process, is classified as a component of committed fund balance in the General Fund.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The School District has, by resolution, authorized the Board of Education to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only 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.

Amounts that do not fall into any other category above are considered to be unassigned fund balance. This represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes.

The fund balance target prescribes the minimum fund balance as 10 to 15 percent of expenditures in the General Fund. This is deemed to be the prudent amount to provide working capital to meet cash flow needs and avoid borrowing and provide for unanticipated or emergency expenditures.

Property Tax Revenue

Property taxes are levied on July 1 for taxes due on August 31 and on December 1 for the remainder on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Grants and Contributions

The School District receives federal, state, and local grants, as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses.

Note 2 - Significant Accounting Policies (Continued)**Pension and Other Postemployment Benefit (OPEB) Plans**

For the purpose of measuring the net pension and net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from the MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

It is the School District's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the School District will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation are used to liquidate the obligations.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds is charges to governmental funds to provide employee benefits and services. Operating expenses for these funds include the cost of benefits and administrative expenses. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Tax Abatement

The School District evaluated tax abatements and considered the total property tax abatements to be insignificant.

Use of Estimates

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

Upcoming Accounting Pronouncement

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2025.

June 30, 2023**Note 3 - Stewardship, Compliance, and Accountability*****Budgetary Information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end. The School District also elected to adopt annual budgets for its debt service funds and capital projects funds. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. There were significant revisions made to the 2022-2023 General Fund original budget. Budgeted revenue was increased by \$20.1 million due to an increase in local revenue (\$2.2 million) for property taxes and other miscellaneous revenue; an increase in state revenue (\$16.8 million) due to an increase in the base foundation allowance and increased funding for the MPSERS retirement costs in the form of a one-time payment toward the retirement liability classified as 147c(2); an increase in federal grant funds (\$1.9 million) based upon current grant awards mainly due to ESSER III (ARP) and ESSER Section 11t grant funding provided to schools; and a decrease in interdistrict revenue (\$0.8 million) due to reduced special education funding distributions from the intermediate school district.

The required supplementary information budgetary comparison schedules are presented on the same basis of accounting used to prepare the budget, which includes certain items having classifications that differ from the statement of revenue, expenditures, and changes in fund balances, including capital outlay expenditures being reported in other expenditure categories.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. Since all encumbrances are budgeted for in 2023-2024, no encumbrances are included in assigned fund balance at June 30, 2023.

Excess of Appropriations in Budgeted Funds Over Expenditures

The School District did not have significant expenditure budget variances.

Capital Projects Fund Compliance

The 2018, 2020, and 2023 Building and Site capital projects funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provisions of §1351a of the State of Michigan's School Code.

Beginning with the bond issuance, the School District has reported the annual construction activity in the 2018 Building and Site capital projects fund. The project for which the bonds were issued was considered complete on June 30, 2023. The cumulative expenditures recognized for the construction period were \$57,800,860.

Note 4 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

June 30, 2023

Note 4 - Deposits and Investments (Continued)

The School District has designated one bank for the deposit of its funds.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost except for a 1-day minimum investment period. MAX CLASS investments may not be redeemed for at least 14 calendar days, with the exception of direct investments of funds distributed by the State of Michigan. Redemptions made prior to the applicable 14-day period are subject to a penalty equal to 15 days' interest on the amount so redeemed.

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level be used for the School District's deposits for custodial credit risk. At June 30, 2023, the School District did not have any deposit balance, as all balances are held with the Michigan Liquid Asset Fund and are uninsured.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment policy for custodial credit risk states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. The School District does not have investments with custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity. The School District's policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; investing operating funds primarily in the shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools; and limiting the average maturity in accordance with the School District's cash requirements.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District's investment policy allows only purchases of commercial paper with ratings of A1/P1 and AA/Aa. As of year end, the credit quality ratings of the School District's investments (other than the U.S. government) are as follows:

Investment	Value	Maturities	Rating	Rating Organization
Michigan Liquid Asset Fund - Cash Management Class	\$ 10,883,144	N/A 2a7-like pool	AAAm	S&P
Michigan Liquid Asset Fund - MAX Class	102,148,399	N/A 2a7-like pool	AAAm	S&P
Total	<u>\$ 113,031,543</u>			

June 30, 2023
Note 4 - Deposits and Investments (Continued)
Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's investment policy prohibit investments in foreign currency.

Note 5 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned.

At June 30, 2023, the various components of unearned and unavailable revenue were as follows:

	Governmental Funds	
	Deferred Inflow - Unavailable	Liability - Unearned
Tuition and other	\$ -	\$ 294,015
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	3,904,046
Total	\$ -	\$ 4,198,061

Note 6 - Capital Assets

Capital asset activity of the School District's governmental activities was as follows:

	Balance July 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 683,744	\$ -	\$ -	\$ -	\$ 683,744
Construction in progress	8,062,679	(2,589,279)	28,489,002	-	33,962,402
Subtotal	8,746,423	(2,589,279)	28,489,002	-	34,646,146
Capital assets being depreciated:					
Buildings and improvements	254,506,227	65,584	-	-	254,571,811
Furniture and equipment	22,713,384	2,523,695	1,057,266	-	26,294,345
Buses and vehicles	10,386,860	-	1,241,824	(212,492)	11,416,192
Subtotal	287,606,471	2,589,279	2,299,090	(212,492)	292,282,348
Accumulated depreciation:					
Buildings and improvements	93,747,292	-	7,732,036	-	101,479,328
Furniture and equipment	13,267,863	-	1,053,409	-	14,321,272
Buses and vehicles	7,457,566	-	712,186	(212,492)	7,957,260
Subtotal	114,472,721	-	9,497,631	(212,492)	123,757,860
Net capital assets being depreciated	173,133,750	2,589,279	(7,198,541)	-	168,524,488
Net capital assets	\$ 181,880,173	\$ -	\$ 21,290,461	\$ -	\$ 203,170,634

June 30, 2023

Note 6 - Capital Assets (Continued)

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
Instruction	\$ 2,706,070
Support services	984,143
Community services	404,826
Unallocated	<u>5,402,592</u>
Total governmental activities	<u>\$ 9,497,631</u>

Construction Commitments

The School District has active construction projects at year end. At year end, the School District's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
2020 bond issue	\$ 46,131,204	\$ 19,992,438

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From					Total
	General Fund	2020 Building and Site Fund	2023 Building and Site Fund	Nonmajor Funds	Benefit Stabilization Fund	
General Fund	\$ -	\$ -	\$ -	\$ 810,139	\$ 49,322	\$ 859,461
2020 Building and Site Fund	775,814	-	-	-	-	775,814
Nonmajor funds	3,440,132	-	-	-	-	3,440,132
Total	<u>\$ 4,215,946</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 810,139</u>	<u>\$ 49,322</u>	<u>\$ 5,075,407</u>

The General Fund maintains the majority of the cash and investment accounts. Interfund balances are created upon recording the revenue and expenditures for each applicable fund. All interfund balances are expected to be repaid within one year.

Interfund transfers reported in the fund financial statements are composed of the following:

<u>Paying Fund (Transfer Out)</u>	<u>Receiving Fund (Transfer In)</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 2,000,000
Nonmajor governmental funds	General Fund	<u>137,957</u>
	Total	<u>\$ 2,137,957</u>

June 30, 2023

Note 7 - Interfund Receivables, Payables, and Transfers (Continued)

General Fund transfers out are used by the applicable funds to support and maintain the operations of the funds for the purpose for which they were created. Nutrition services funds are transferred to the General Fund to cover indirect costs related to operations for the Nutrition Services Fund.

Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2023 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Other debt - General obligation	\$ 153,655,000	\$ 27,015,000	\$ (6,695,000)	\$ 173,975,000	\$ 7,285,000
Unamortized bond premiums	15,729,298	3,071,969	(994,696)	17,806,571	1,148,295
Total bonds payable	169,384,298	30,086,969	(7,689,696)	191,781,571	8,433,295
Compensated absences	2,470,073	475,209	(499,395)	2,445,887	394,703
Workers' compensation	226,713	172,831	(164,249)	235,295	235,295
Net pension liability	181,117,983	97,990,340	-	279,108,323	-
Net OPEB liability	11,507,883	4,424,176	-	15,932,059	-
Total governmental activities long-term debt	<u>\$ 364,706,950</u>	<u>\$ 133,149,525</u>	<u>\$ (8,353,340)</u>	<u>\$ 489,503,135</u>	<u>\$ 9,063,293</u>

General Obligation Bonds and Contracts

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligations have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The School District's qualified bonds are fully guaranteed by the State of Michigan. The primary source of any required repayment is from the School District's property tax levy; however, the State of Michigan may withhold the School District's state aid funding in order to recover amounts it has paid on behalf of the School District. General obligations outstanding at June 30, 2023 are as follows:

Purpose	Remaining Annual Installments	Interest Rate (Percent)	Maturing May 1	Outstanding
\$81,050,000 qualified serial bonds (2015 issue)	\$3,215,000 - \$5,145,000	5.00	2035	\$ 50,335,000
\$54,675,000 qualified serial bonds (2018 issue)	\$2,225,000 - \$3,800,000	3.00 - 4.50	2038	43,425,000
\$57,265,000 qualified serial bonds (2020 issue)	\$875,000 - \$8,875,000	4.00 - 5.00	2040	53,200,000
\$27,015,000 qualified serial bonds (2023 issue)	\$500,000 - \$1,705,000	5.00	2043	27,015,000
Total governmental activities				<u>\$ 173,975,000</u>

June 30, 2023

Note 8 - Long-term Debt (Continued)***Debt Service Requirements to Maturity***

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities		
	Other Debt		
	Principal	Interest	Total
2024	\$ 7,285,000	\$ 7,584,844	\$ 14,869,844
2025	7,700,000	7,273,844	14,973,844
2026	8,325,000	6,934,844	15,259,844
2027	7,750,000	6,565,594	14,315,594
2028	8,180,000	6,226,594	14,406,594
2029-2033	49,030,000	25,183,502	74,213,502
2034-2038	59,430,000	13,387,438	72,817,438
2039-2043	26,275,000	2,343,750	28,618,750
Total	<u>\$ 173,975,000</u>	<u>\$ 75,500,410</u>	<u>\$ 249,475,410</u>

Note 9 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District participates in Middle Cities Risk Management Trust risk pool for claims relating to property loss, torts, and errors and omissions. The School District is partially insured for workers' compensation and medical claims.

The shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts. There have been no significant reductions in insurance coverage from the prior year. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Under the School District's workers' compensation plan, the School District's current maximum loss is limited to 100 percent of the normal workers' compensation premiums. Losses in excess of the percent limitation are insured up to an aggregate limit of \$5,000,000. The School District is also insured against losses in excess of \$100,000 to \$500,000 for each occurrence, depending on the year the claim was made.

The School District estimates the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. These estimates are recorded as long-term debt in the government-wide financial statements, as they are not considered due at June 30. At June 30, 2023, \$235,295 is recorded as long-term debt.

The School District is self-insured for medical claims. The School District estimates the liability for medical claims that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported. These estimates are recorded as accrued liabilities in the internal service fund. At June 30, 2023, the estimated liability for these medical claims totals \$2,477,346.

June 30, 2023

Note 9 - Risk Management (Continued)

Changes in the estimated liability for the past two fiscal years were as follows:

	Workers' Compensation		Medical	
	2023	2022	2023	2022
Estimated liability - Beginning of year	\$ 226,713	\$ 520,788	\$ 2,390,659	\$ 2,338,047
Estimated claims incurred, including changes in estimates	172,832	200,123	14,719,455	14,704,191
Claim payments	(164,250)	(494,198)	(14,632,768)	(14,651,579)
Estimated liability - End of year	<u>\$ 235,295</u>	<u>\$ 226,713</u>	<u>\$ 2,477,346</u>	<u>\$ 2,390,659</u>

Note 10 - Michigan Public School Employees' Retirement System***Plan Description***

The School District participates in the Michigan Public School Employees' Retirement System (the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. Certain school district employees also receive defined contribution retirement and health care benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care 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 pension plan and the postemployment health care plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member's date of hire, MPSERS offers the option of participating in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation, with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits but with an actuarial reduction.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPERS, with the balance deducted from the monthly pension of each retiree health care recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Contributions

Public Act 300 of 1980, as amended, required the School District to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state Legislature. Under these provisions, each school district's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree health care 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 participants in the Personal Healthcare Fund (PHF), a portable tax-deferred fund that can be used to pay health care expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 accounts as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stopped paying the 3 percent contribution to retiree health care as of the day before their transition date, and their prior contributions were deposited into their 401(k) accounts.

The School District's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The ranges of rates are as follows:

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

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

June 30, 2023

Note 10 - Michigan Public School Employees' Retirement System (Continued)

The School District's required and actual pension contributions to the plan for the year ended June 30, 2023 were \$35,030,538, which includes the School District's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2023, the School District's required and actual pension contributions include an allocation of \$12,804,911 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate, as well as \$7,457,426 of a one-time state payment received and remitted to the System for the purpose of contributing additional assets to the System.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2023 were \$6,323,661, which includes the School District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2023, the School District reported a liability of \$279,108,323 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2021, which used update procedures to roll forward the estimated liability to September 30, 2022. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2022 and 2021, the School District's proportion was 0.74 and 0.77 percent, respectively, representing a change of (2.99) percent.

Net OPEB Liability

At June 30, 2023, the School District reported a liability of \$15,932,059 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2023 was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2021, which used update procedures to roll forward the estimated liability to September 30, 2022. The School District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2022 and 2021, the School District's proportion was 0.752 and 0.753 percent, respectively, representing a change of (0.23) percent.

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

For 2023, the School District recognized pension expense of \$27,190,861, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,792,057	\$ (624,056)
Changes in assumptions	47,960,811	-
Net difference between projected and actual earnings on pension plan investments	654,509	-
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	7,892	(13,971,329)
The School District's contributions to the plan subsequent to the measurement date	30,867,472	-
Total	<u>\$ 82,282,741</u>	<u>\$ (14,595,385)</u>

June 30, 2023

Note 10 - Michigan Public School Employees' Retirement System (Continued)

The \$20,262,337 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2024	\$ 8,589,233
2025	6,088,598
2026	6,717,782
2027	15,424,271
Total	<u>\$ 36,819,884</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

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

For the year ended June 30, 2023, the School District recognized OPEB recovery of \$7,742,433.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (31,204,799)
Changes in assumptions	14,200,755	(1,156,306)
Net difference between projected and actual earnings on OPEB plan investments	1,245,216	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	11,647	(3,814,232)
Employer contributions to the plan subsequent to the measurement date	4,475,120	-
Total	<u>\$ 19,932,738</u>	<u>\$ (36,175,337)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2024	\$ (7,388,068)
2025	(6,433,885)
2026	(5,791,984)
2027	(747,856)
2028	(354,553)
Thereafter	(1,373)
Total	<u>\$ (20,717,719)</u>

June 30, 2023

Note 10 - Michigan Public School Employees' Retirement System (Continued)***Actuarial Assumptions***

The total pension liability and total OPEB liability as of September 30, 2022 are based on the results of an actuarial valuation as of September 30, 2021 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75%
Health care cost trend rate - OPEB	5.25% - 7.75%	Year 1, graded to 3.5% in year 15, 3.0% in year 120
Mortality basis		RP-2014 Male and Female Employee Annuitant Mortality tables, scaled 100% (retirees: 82% for males and 78% for females) and adjusted for mortality improvements using projection scale MP-2017 from 2006
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

Assumption changes as a result of an experience study for the periods from 2012 to 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2018 valuation.

Significant assumption changes since the prior measurement date, September 30, 2021, for the pension and OPEB plans include a decrease in the discount rate used in the September 30, 2022 measurement date by 0.80 percentage points in the pension plan and 0.95 percentage points in the OPEB plan. The investment rate of return used in the September 30, 2022 measurement date decreased by 0.80 percentage points in the pension plan and 0.95 percentage points in the OPEB plan. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2021.

Discount Rate

The discount rate used to measure the total pension liability was 6.00 percent as of September 30, 2022 depending on the plan option. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

June 30, 2023

Note 10 - Michigan Public School Employees' Retirement System (Continued)

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.00 %	5.10 %
Private equity pools	16.00	8.70
International equity pools	15.00	6.70
Fixed-income pools	13.00	(0.20)
Real estate and infrastructure pools	10.00	5.30
Absolute return pools	9.00	2.70
Short-term investment pools	10.00	5.80
Real return/opportunistic pools	2.00	(0.50)
Total	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.2 percent.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the School District, calculated using the discount rate depending on the plan option. The following also reflects what the School District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the School District	\$ 368,319,296	\$ 279,108,323	\$ 205,594,462

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the School District, calculated using the current discount rate. It also reflects what the School District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB liability of the School District	\$ 26,724,496	\$ 15,932,059	\$ 6,843,487

June 30, 2023

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1 Percentage Point Decrease</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Increase</u>
Net OPEB liability of the School District	\$ 6,671,584	\$ 15,932,059	\$ 26,327,125

Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan

At June 30, 2023, the School District reported a payable of \$5,197,101 and \$637,768 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2023.

Note 11 - Contingent Liabilities

The School District is subject to various legal proceedings and claims that arise in the ordinary course of its business. The School District believes that the amount, if any, of ultimate liability with respect to legal actions will be insignificant or will be covered by insurance.

Required Supplementary Information

Farmington Public School District

Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 45,159,679	\$ 47,377,161	\$ 47,536,894	\$ 159,733
State sources	82,362,706	99,143,719	95,770,311	(3,373,408)
Federal sources	16,713,886	18,584,452	9,634,875	(8,949,577)
Interdistrict sources	12,226,621	11,446,145	11,433,667	(12,478)
Total revenue	156,462,892	176,551,477	164,375,747	(12,175,730)
Expenditures				
Current:				
Instruction:				
Basic programs	65,781,762	73,156,968	70,024,026	(3,132,942)
Added needs	24,977,682	29,355,801	24,669,727	(4,686,074)
Adult/Continuing education	187,245	214,695	177,071	(37,624)
Total instruction	90,946,689	102,727,464	94,870,824	(7,856,640)
Support services:				
Pupil	17,433,381	18,790,222	16,722,326	(2,067,896)
Instructional staff	10,450,905	10,511,993	8,217,054	(2,294,939)
General administration	1,383,528	1,316,413	1,251,558	(64,855)
School administration	6,826,445	7,587,159	7,507,675	(79,484)
Business	1,425,176	1,590,512	1,531,409	(59,103)
Operations and maintenance	11,138,007	12,675,449	11,513,552	(1,161,897)
Pupil transportation services	6,987,410	7,303,947	6,938,307	(365,640)
Central	3,850,640	4,711,941	4,394,542	(317,399)
Other	287,185	108,815	34,143	(74,672)
Total support services	59,782,677	64,596,451	58,110,566	(6,485,885)
Athletics	1,879,756	2,208,630	2,025,793	(182,837)
Building and site improvements	206,408	217,790	214,940	(2,850)
Community services	2,363,770	2,807,100	2,030,442	(776,658)
Interdistrict payments	1,120,564	1,242,216	1,022,368	(219,848)
Total expenditures	156,299,864	173,799,651	158,274,933	(15,524,718)
Excess of Revenue Over Expenditures	163,028	2,751,826	6,100,814	3,348,988
Other Financing Sources (Uses)				
Proceeds from sale	-	1,132,315	1,132,315	-
Transfers in	172,841	163,511	137,957	(25,554)
Transfers out	(900,000)	(2,000,000)	(2,000,000)	-
Total other financing uses	(727,159)	(704,174)	(729,728)	(25,554)
Net Change in Fund Balance	(564,131)	2,047,652	5,371,086	3,323,434
Fund Balance - Beginning of year	31,629,501	31,629,501	31,629,501	-
Fund Balance - End of year	<u>\$ 31,065,370</u>	<u>\$ 33,677,153</u>	<u>\$ 37,000,587</u>	<u>\$ 3,323,434</u>

Farmington Public School District

Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System

	Last Nine Plan Years Plan Years Ended September 30								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.74214 %	0.76500 %	0.79680 %	0.82486 %	0.83564 %	0.85024 %	0.91075 %	0.96979 %	1.00461 %
School District's proportionate share of the net pension liability	\$ 279,108,323	\$ 181,117,983	\$ 273,709,279	\$ 273,164,256	\$ 251,209,675	\$ 220,333,627	\$ 227,224,167	\$ 236,872,217	\$ 221,281,477
School District's covered payroll	\$ 72,395,706	\$ 67,370,156	\$ 68,477,779	\$ 71,385,804	\$ 70,402,116	\$ 69,554,738	\$ 74,553,881	\$ 80,556,310	\$ 85,259,183
School District's proportionate share of the net pension liability as a percentage of its covered payroll	385.53 %	268.84 %	399.71 %	382.66 %	356.82 %	316.78 %	304.78 %	294.05 %	259.54 %
Plan fiduciary net position as a percentage of total pension liability	60.77 %	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %	66.15 %

Farmington Public School District

Required Supplementary Information Schedule of Pension Contributions Michigan Public School Employees' Retirement System

	Last Nine Fiscal Years Years Ended June 30								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 34,439,082	\$ 24,757,127	\$ 22,649,203	\$ 21,739,509	\$ 21,669,555	\$ 21,055,508	\$ 19,972,010	\$ 20,859,210	\$ 15,602,264
Contributions in relation to the statutorily required contribution	34,439,082	24,757,127	22,649,203	21,739,509	21,669,555	21,055,508	19,972,010	20,859,210	15,602,264
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 75,853,359	\$ 71,490,843	\$ 67,043,340	\$ 69,479,774	\$ 71,456,642	\$ 70,148,520	\$ 69,805,215	\$ 73,117,969	\$ 81,965,999
Contributions as a Percentage of Covered Payroll	45.40 %	34.63 %	33.78 %	31.29 %	30.33 %	30.02 %	28.61 %	28.53 %	19.04 %

Farmington Public School District

Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability
Michigan Public School Employees' Retirement System

	Last Six Plan Years					
	Plan Years Ended September 30					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's proportion of the net OPEB liability	0.75220 %	0.75393 %	0.77685 %	0.81985 %	0.82904 %	0.85123 %
School District's proportionate share of the net OPEB liability	\$ 15,932,059	\$ 11,507,883	\$ 41,618,029	\$ 58,846,764	\$ 65,900,323	\$ 75,380,729
School District's covered payroll	\$ 72,395,706	\$ 67,370,156	\$ 68,477,779	\$ 71,385,804	\$ 70,402,116	\$ 69,554,738
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	22.01 %	17.08 %	60.78 %	82.43 %	93.61 %	108.38 %
Plan fiduciary net position as a percentage of total OPEB liability	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

Farmington Public School District**Required Supplementary Information
Schedule of OPEB Contributions
Michigan Public School Employees' Retirement System**

	Last Six Fiscal Years Years Ended June 30					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 5,976,034	\$ 5,731,528	\$ 5,520,920	\$ 5,547,682	\$ 5,588,588	\$ 5,057,398
Contributions in relation to the statutorily required contribution	<u>5,976,034</u>	<u>5,731,528</u>	<u>5,520,920</u>	<u>5,547,682</u>	<u>5,588,588</u>	<u>5,057,398</u>
Contribution Excess	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
School District's Covered Payroll	\$ 75,853,359	\$ 71,490,843	\$ 67,043,340	\$ 69,479,774	\$ 71,456,642	\$ 70,148,520
Contributions as a Percentage of Covered Payroll	7.88 %	8.02 %	8.23 %	7.98 %	7.82 %	7.21 %

June 30, 2023

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end. The School District also elected to adopt annual budgets for its debt service funds and capital projects funds.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. There were no significant amendments during the year.

The School District did not have significant expenditure budget variances.

Pension Information

Ultimately, 10 years of data will be presented in both of the pension-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

The required contributions for the year ended June 30, 2023 include a one-time contribution of \$7,457,426, referred to as 147c(2), related to funding received from the State and remitted to the System for the purpose of contributing additional assets to the System.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the reported plan years ended September 30, except for the following:

- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.80 percentage points.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

OPEB Information

Ultimately, 10 years of data will be presented in both of the OPEB-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

June 30, 2023

Changes in Assumptions

There were no significant changes of assumptions for each of the reported plan years ended September 30, except for the following:

- 2022 - The discount rate and investment rate used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.

- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.

- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points. This, in addition to actual per person health benefit costs being lower than projected, reduced the plan's total OPEB liability by an additional \$1.8 billion in 2020.

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.

- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2018.

Other Supplementary Information

June 30, 2023

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District maintains full control of these funds. The special revenue funds used within the School District are the Nutrition Services Fund and the Student Activities Fund.

The Nutrition Services Fund records all transactions associated with the mandated federal school lunch program, including federal and State revenue and revenue from student paid lunches, as well as costs associated with the program. Any operating surplus in the Nutrition Services Fund remains in this fund.

The Student Activities Fund records all receipts and disbursement of money from student related activities, such as fees, extracurricular activities, and fundraising events.

Debt Service Funds

Debt service funds are used to record tax and interest revenue and the payment of interest, principal, and other expenditures on long-term debt.

Capital Projects Funds

Historically, these funds have been used to account for financial resources to be used for the acquisition, construction, or major renovation of facilities.

The School District separated these funds into distinct funds: Technology/Other Projects, Maintenance/Bus Purchases, Building and Site 2018, Building and Site 2020, and Building and Site 2023. The Building and Site 2020 and Building and Site 2023 funds are reported as major funds in the balance sheet and statement of revenue, expenditures, and changes in fund balances.

The capital projects (Technology/Other Projects Fund) will be used for the replacement and addition of computers and other related technology. The revenue source for this fund is a transfer from the General Fund.

The capital projects (Maintenance/Bus Purchases Fund) will be used to purchase buses, fund maintenance projects throughout the School District and purchase property in the short term. The revenue source for this fund is a transfer from the General Fund.

The capital projects (Building and Site 2018 Fund) contains proceeds of the 2018 bond issue to be used for continued remodeling of buildings for safety and security improvements; constructing additions to, equipping, furnishing, reequipping, refurnishing, and remodeling buildings, including classroom, auditorium, and media center improvements; improving and developing sites, including outdoor athletic facilities, playgrounds, and structures; acquiring school buses and acquiring and installing technology infrastructure and equipment.

Farmington Public School District

Other Supplementary Information Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2023

	Special Revenue Funds		Debt Service Funds			Capital Projects Funds			
	Nutrition Services	Student Activities	2015 Issue	2018 Issue	2020 Issue	Technology/ Other Projects	Maintenance/ Bus Purchases	2018 Building and Site	Total
Assets									
Cash and investments	\$ 2,561,212	\$ 870,985	\$ -	\$ -	\$ -	\$ 1,605,934	\$ -	\$ -	\$ 5,038,131
Receivables:									
Accounts receivable	-	6,069	-	-	-	-	-	-	6,069
Due from other governmental units	109,479	-	2,500	1,500	3,500	-	-	-	116,979
Due from other funds	-	-	-	-	-	-	3,440,132	-	3,440,132
Inventory	66,395	-	-	-	-	-	-	-	66,395
Prepaid expenses	538	-	-	-	-	-	-	-	538
Restricted assets	-	-	752,637	505,427	434,631	-	-	1,606,007	3,298,702
Total assets	\$ 2,737,624	\$ 877,054	\$ 755,137	\$ 506,927	\$ 438,131	\$ 1,605,934	\$ 3,440,132	\$ 1,606,007	\$ 11,966,946
Liabilities									
Accounts payable	\$ 23,147	\$ 25,021	\$ 500	\$ 500	\$ 500	\$ -	\$ -	\$ 778,752	\$ 828,420
Due to other funds	105,264	5,628	-	-	-	-	-	699,247	810,139
Accrued liabilities and other	5,765	483	-	-	-	-	-	-	6,248
Unearned revenue	83,381	-	-	-	-	-	-	-	83,381
Total liabilities	217,557	31,132	500	500	500	-	-	1,477,999	1,728,188
Fund Balances									
Nonspendable:									
Inventory	66,395	-	-	-	-	-	-	-	66,395
Prepays	538	-	-	-	-	-	-	-	538
Restricted:									
Debt service	-	-	754,637	506,427	437,631	-	-	-	1,698,695
Capital projects	-	-	-	-	-	-	-	128,008	128,008
Nutrition services	2,453,134	-	-	-	-	-	-	-	2,453,134
Committed:									
Capital projects	-	-	-	-	-	1,605,934	3,440,132	-	5,046,066
Student activities	-	845,922	-	-	-	-	-	-	845,922
Total fund balances	2,520,067	845,922	754,637	506,427	437,631	1,605,934	3,440,132	128,008	10,238,758
Total liabilities and fund balances	\$ 2,737,624	\$ 877,054	\$ 755,137	\$ 506,927	\$ 438,131	\$ 1,605,934	\$ 3,440,132	\$ 1,606,007	\$ 11,966,946

Farmington Public School District

Other Supplementary Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2023

	Special Revenue Funds		Debt Service Funds			Capital Projects Funds			
	Nutrition Services	Student Activities	2015 Issue	2018 Issue	2020 Issue	Technology/ Other Projects	Maintenance/ Bus Purchases	2018 Building and Site	Total
Revenue									
Local sources	\$ 1,671,487	\$ 1,175,536	\$ 6,049,895	\$ 3,975,229	\$ 3,802,785	\$ 52,500	\$ -	\$ 218,753	\$ 16,946,185
State sources	283,422	-	71,542	47,014	44,970	-	-	-	446,948
Federal sources	2,310,253	-	-	-	-	-	-	-	2,310,253
Interdistrict sources	8,413	-	-	-	-	-	-	-	8,413
Total revenue	4,273,575	1,175,536	6,121,437	4,022,243	3,847,755	52,500	-	218,753	19,711,799
Expenditures									
Current:									
Student activities	-	1,199,256	-	-	-	-	-	-	1,199,256
Nutrition services	3,789,337	-	-	-	-	-	-	-	3,789,337
Debt service:									
Principal	-	-	3,070,000	2,150,000	1,475,000	-	-	-	6,695,000
Interest on long-term debt and other	-	-	2,676,629	1,549,987	2,304,090	-	-	-	6,530,706
Capital outlay	238,591	-	-	-	-	-	-	6,856,698	7,095,289
Total expenditures	4,027,928	1,199,256	5,746,629	3,699,987	3,779,090	-	-	6,856,698	25,309,588
Excess of Revenue Over (Under)									
Expenditures	245,647	(23,720)	374,808	322,256	68,665	52,500	-	(6,637,945)	(5,597,789)
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	700,000	1,300,000	-	2,000,000
Transfers out	(137,957)	-	-	-	-	-	-	-	(137,957)
Total other financing (uses) sources	(137,957)	-	-	-	-	700,000	1,300,000	-	1,862,043
Net Change in Fund Balances	107,690	(23,720)	374,808	322,256	68,665	752,500	1,300,000	(6,637,945)	(3,735,746)
Fund Balances - Beginning of year	2,412,377	869,642	379,829	184,171	368,966	853,434	2,140,132	6,765,953	13,974,504
Fund Balances - End of year	<u>\$ 2,520,067</u>	<u>\$ 845,922</u>	<u>\$ 754,637</u>	<u>\$ 506,427</u>	<u>\$ 437,631</u>	<u>\$ 1,605,934</u>	<u>\$ 3,440,132</u>	<u>\$ 128,008</u>	<u>\$ 10,238,758</u>

Farmington Public School District

Other Supplementary Information Budgetary Comparison Schedule - Major Funds 2020 Building and Site

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over Final Budget
Revenue - Local source	\$ 50,000	\$ 1,430,000	\$ 1,496,528	\$ 66,528
Expenditures - Capital projects	27,610,624	27,610,624	26,002,730	1,607,894
Net Change in Fund Balance - Excess of expenditures over revenue	(27,560,624)	(26,180,624)	(24,506,202)	1,674,422
Fund Balance - Beginning of year	48,077,264	48,077,264	48,077,264	-
Fund Balance - End of year	<u><u>\$ 20,516,640</u></u>	<u><u>\$ 21,896,640</u></u>	<u><u>\$ 23,571,062</u></u>	<u><u>\$ 1,674,422</u></u>

Farmington Public School District

Other Supplementary Information Budgetary Comparison Schedule - Major Funds 2023 Building and Site Fund

	Year Ended June 30, 2023			
	Original Budget	Amended Budget	Actual	Over Final Budget
Revenue				
Local revenue	\$ 200,000	\$ 200,000	\$ 255,557	\$ 55,557
Proceeds from the sale of bonds	30,086,969	30,086,969	30,086,969	-
Total revenue	30,286,969	30,286,969	30,342,526	55,557
Expenditures - Bond issuance costs	233,799	233,799	232,377	1,422
Net Change in Fund Balance - Excess of revenue over expenditures	30,053,170	30,053,170	30,110,149	56,979
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u><u>\$ 30,053,170</u></u>	<u><u>\$ 30,053,170</u></u>	<u><u>\$ 30,110,149</u></u>	<u><u>\$ 56,979</u></u>

Farmington Public School District**Other Supplementary Information
Budgetary Comparison Schedule - Nonmajor Funds
Nutrition Services****Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 2,090,346	\$ 1,551,045	\$ 1,671,487	\$ 120,442
State sources	138,065	159,066	283,422	124,356
Federal sources	1,541,225	2,029,497	2,310,253	280,756
Interdistrict sources	-	-	8,413	8,413
Total revenue	3,769,636	3,739,608	4,273,575	533,967
Expenditures - Current - Nutrition services	4,527,857	4,245,364	4,027,928	(217,436)
Excess of Revenue (Under) Over Expenditures	(758,221)	(505,756)	245,647	751,403
Other Financing Sources (Uses) - Transfers in (out)	74,838	77,688	(137,957)	(215,645)
Net Change in Fund Balance	(683,383)	(428,068)	107,690	535,758
Fund Balance - Beginning of year	2,412,377	2,412,377	2,412,377	-
Fund Balance - End of year	\$ 1,728,994	\$ 1,984,309	\$ 2,520,067	\$ 535,758

Farmington Public School District

Other Supplementary Information
Budgetary Comparison Schedule - Nonmajor Funds (Continued)
Student Activities

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue - Local	\$ 1,400,000	\$ 1,000,000	\$ 1,175,536	\$ 175,536
Expenditures - Student activities	1,400,000	1,000,000	1,199,256	199,256
Net Change in Fund Balance	-	-	(23,720)	(23,720)
Fund Balance - Beginning of year	869,642	869,642	869,642	-
Fund Balance - End of year	<u><u>\$ 869,642</u></u>	<u><u>\$ 869,642</u></u>	<u><u>\$ 845,922</u></u>	<u><u>\$ (23,720)</u></u>

Farmington Public School District

Other Supplementary Information
Budgetary Comparison Schedule - Nonmajor Funds (Continued)
Technology/Other Projects

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over Final Budget
Revenue - Local sources	\$ 1,500	\$ 20,000	\$ 52,500	\$ 32,500
Expenditures	-	-	-	-
Excess of Revenue Over Expenditures	1,500	20,000	52,500	32,500
Other Financing Sources - Transfers in	300,000	700,000	700,000	-
Net Change in Fund Balance	301,500	720,000	752,500	32,500
Fund Balance - Beginning of year	853,434	853,434	853,434	-
Fund Balance - End of year	<u><u>\$ 1,154,934</u></u>	<u><u>\$ 1,573,434</u></u>	<u><u>\$ 1,605,934</u></u>	<u><u>\$ 32,500</u></u>

Farmington Public School District

Other Supplementary Information
Budgetary Comparison Schedule - Nonmajor Funds (Continued)
Maintenance/Bus Purchases

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over Final Budget
Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-
Other Financing Sources - Transfers in	600,000	1,300,000	1,300,000	-
Net Change in Fund Balance	600,000	1,300,000	1,300,000	-
Fund Balance - Beginning of year	2,140,132	2,140,132	2,140,132	-
Fund Balance - End of year	<u><u>\$ 2,740,132</u></u>	<u><u>\$ 3,440,132</u></u>	<u><u>\$ 3,440,132</u></u>	<u><u>\$ -</u></u>

Farmington Public School District

Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Funds (Continued) 2018 Building and Site

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue - Local sources	\$ 2,500	\$ 190,000	\$ 218,753	\$ 28,753
Expenditures - Capital projects	4,600,500	6,982,658	6,856,698	(125,960)
Excess of Expenditures Over Revenue	(4,598,000)	(6,792,658)	(6,637,945)	154,713
Other Financing Sources - Transfers in	-	26,705	-	(26,705)
Net Change in Fund Balance	(4,598,000)	(6,765,953)	(6,637,945)	128,008
Fund Balance - Beginning of year	6,765,953	6,765,953	6,765,953	-
Fund Balance - End of year	<u><u>\$ 2,167,953</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 128,008</u></u>	<u><u>\$ 128,008</u></u>

Farmington Public School District

Other Supplementary Information
Budgetary Comparison Schedule - Nonmajor Funds (Continued)
Debt Service

	Year Ended June 30, 2023			
	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 13,636,854	\$ 13,836,254	\$ 13,827,909	\$ (8,345)
State sources	162,292	163,525	163,526	1
Total revenue	13,799,146	13,999,779	13,991,435	(8,344)
Expenditures				
Debt service:				
Principal	6,695,000	6,695,000	6,695,000	-
Interest on long-term debt and other	6,511,094	6,511,094	6,530,706	19,612
Other debt costs	36,500	36,500	-	(36,500)
Total expenditures	13,242,594	13,242,594	13,225,706	(16,888)
Net Change in Fund Balances	556,552	757,185	765,729	8,544
Fund Balances - Beginning of year	932,966	932,966	932,966	-
Fund Balances - End of year	<u><u>\$ 1,489,518</u></u>	<u><u>\$ 1,690,151</u></u>	<u><u>\$ 1,698,695</u></u>	<u><u>\$ 8,544</u></u>

Farmington Public School District

Other Supplementary Information Schedule of Bonded Indebtedness

June 30, 2023

Years Ending June 30	2015 Issue Principal	2018 Issue Principal	2020 Issue Principal	2023 Issue Principal
2024	\$ 3,215,000	\$ 2,225,000	\$ 875,000	\$ 970,000
2025	3,380,000	2,300,000	1,000,000	1,020,000
2026	3,550,000	2,350,000	1,050,000	1,375,000
2027	3,725,000	2,425,000	1,100,000	500,000
2028	3,905,000	2,500,000	1,150,000	625,000
2029	4,090,000	2,600,000	1,200,000	935,000
2030	4,285,000	2,675,000	1,275,000	1,140,000
2031	4,480,000	2,775,000	1,350,000	1,225,000
2032	4,675,000	2,900,000	1,400,000	1,295,000
2033	4,845,000	3,050,000	1,500,000	1,335,000
2034	5,040,000	3,200,000	1,550,000	1,425,000
2035	5,145,000	3,375,000	1,650,000	1,535,000
2036	-	3,575,000	6,600,000	1,700,000
2037	-	3,675,000	6,775,000	1,705,000
2038	-	3,800,000	6,975,000	1,705,000
2039	-	-	8,875,000	1,705,000
2040	-	-	8,875,000	1,705,000
2041	-	-	-	1,705,000
2042	-	-	-	1,705,000
2043	-	-	-	1,705,000
Total remaining payments	\$ 50,335,000	\$ 43,425,000	\$ 53,200,000	\$ 27,015,000
Principal payments due	May 1	May 1	May 1	May 1
Interest payments due	May 1 and November 1	May 1 and November 1	May 1 and November 1	May 1 and November 1
Interest rate	5.00%	3.00% to 4.50%	4.00% to 5.00%	5.00%
Original issue	\$ 81,050,000	\$ 54,675,000	\$ 57,265,000	\$ 27,015,000

Farmington Public School District

Other Supplemental Information Schedule of Cash, Cash Equivalents, and Investments

June 30, 2023

Fund	Types of Investment	Interest Rate (Percent)	Cost
General	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	\$ 2,255,462
	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	2,713,458
	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	894,019
	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	109,628
	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	35,153,369
	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	11,116
	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	72,162
	Total General Fund		41,209,214
Special Revenue	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	2,560,806
	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	868,615
	Total Special Revenue		3,429,421
Debt Service	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	1,692,696
Capital Projects	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	1,605,934
	Cash Management Fund - Michigan School District Liquid Asset Fund Commercial Paper	Variable	1,606,006 -
	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	28,786,230
	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	30,110,149
Trust and Agency	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	-
Internal Service	Cash Management Fund - Michigan School District Liquid Asset Fund	Variable	4,591,893
	Total cash, cash equivalents, and investments		<u>\$ 113,031,543</u>

Note: Balances represent balances from the bank statements at June 30, 2023

Farmington Public School District

	Cost					Total
	Land	Buildings and Building Improvements	Furniture and Equipment	Buses and Other Vehicles	Construction in Progress	
Elementary Schools						
Beechview	\$ 25,250	\$ 7,665,064	\$ 514,515	\$ -	\$ 734,335	\$ 8,939,164
Forest	31,980	8,393,809	633,536	-	194,961	9,254,286
Gill	4,137	9,452,396	1,044,154	-	210,531	10,711,218
Hillside	16,301	9,322,654	625,848	-	3,804,165	13,768,968
Kenbrook	24,900	9,702,029	521,500	-	873,507	11,121,936
Lanigan	37,800	10,654,144	854,726	-	206,243	11,752,913
Longacre	30,300	7,827,460	585,016	-	2,461,521	10,904,297
Wood Creek	4,391	6,426,298	674,911	-	1,973,657	9,079,257
K-8 School						
Farmington STEAM Academy	36,000	17,336,518	1,023,963	-	1,480,149	19,876,630
Middle Schools						
East	57,500	21,942,823	1,407,201	-	431,588	23,839,112
Power	4,137	13,319,687	1,267,983	-	3,691,212	18,283,019
Warner	180,000	16,633,081	1,052,460	-	128,508	17,994,049
High Schools						
Farmington	1	45,712,579	3,180,707	-	5,340,561	54,233,848
North	117,600	43,773,682	3,917,408	-	3,283,161	51,091,851
Alameda Early Childhood Center	53,447	10,763,156	1,043,995	-		11,860,598
Highmeadow Common Campus	49,226	4,789,985	315,999	-	49,426	5,204,636
Shiawassee Complex	-	4,588,024	6,246,905	-	2,813,560	13,648,489
Maxfield Training Center	-	-	-	-		-
Farmington Community School Maintenance	6,501	1,668,447	154,036	-	6,242,436	8,071,420
Visions/Cloverdale	4,273	376,593	1,043,657	-		1,424,523
Alternative Academy	-	4,223,382	185,825	-	42,881	4,452,088
Vehicles	-	-	-	11,416,192	-	11,416,192
Total	\$ 683,744	\$ 254,571,811	\$ 26,294,345	\$ 11,416,192	\$ 33,962,402	\$ 326,928,494

Other Supplemental Information

Schedule of Capital Assets and Accumulated Depreciation

June 30, 2023

		Accumulated Depreciation		
	Buildings and Building Improvements	Furniture and Equipment	Buses and Other Vehicles	
			Total	
\$	2,546,902	\$ 193,262	\$ -	\$ 2,740,164
	2,524,238	266,519	-	2,790,757
	3,123,716	454,311	-	3,578,027
	5,114,897	291,263	-	5,406,160
	3,235,834	227,080	-	3,462,914
	3,287,207	362,791	-	3,649,998
	3,126,132	244,673	-	3,370,805
	3,145,131	331,770	-	3,476,901
	7,723,293	508,852	-	8,232,145
	7,743,434	750,333	-	8,493,767
	5,891,021	608,700	-	6,499,721
	6,105,543	427,649	-	6,533,192
	21,683,156	1,807,597	-	23,490,753
	17,957,060	2,287,271	-	20,244,331
	1,472,165	145,801	-	1,617,966
	2,014,363	164,346	-	2,178,709
	1,939,123	4,492,962	-	6,432,085
	-	-	-	-
	936,630	110,246	-	1,046,876
	239,333	547,333	-	786,666
	1,670,150	98,513	-	1,768,663
	-	-	-	-
	-	-	7,957,260	7,957,260
\$	101,479,328	\$ 14,321,272	\$ 7,957,260	\$ 123,757,860

Statistical Section

This part of Farmington Public School District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health. Many of the schedules present data for the past fiscal years that will allow the reader to discern trends that cannot be seen in a single year's financial statements.

Contents

Financial Trend Information

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

Revenue Capacity Information

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

Debt Capacity Information

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

Farmington Public School District

	As of June 30,			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities:				
Net investment in capital assets	\$ 80,942,482	\$ 82,595,528	\$ 85,948,397	\$ 88,245,459
Restricted	3,769,752	2,986,963	1,042,446	1,362,602
Unrestricted	9,003,324	(222,340,637)	(218,066,275)	(211,170,358)
Total net position	<u><u>\$ 93,715,558</u></u>	<u><u>\$ (136,758,146)</u></u>	<u><u>\$ (131,075,432)</u></u>	<u><u>\$ (121,562,297)</u></u>

Source: Farmington Public School District audited financial statements

GASB 68 and 71 have been adopted effective July 1, 2014. Net position prior to June 30, 2015 has not been restated in this table.

GASB 75 have been adopted effective July 1, 2017. Net position prior to June 30, 2017 has not been restated in this table.

Financial Trend Information

Net Position by Component

Governmental Activities

Last Ten Fiscal Years

As of June 30,					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 88,960,987	\$ 74,934,436	\$ 71,246,936	\$ 68,022,521	\$ 65,427,511	\$ 61,419,135
2,618,786	2,681,756	3,518,237	3,283,852	4,324,028	6,781,534
(278,624,856)	(273,622,807)	(276,041,984)	(266,492,278)	(241,524,637)	(222,051,902)
<u>\$ (187,045,083)</u>	<u>\$ (196,006,615)</u>	<u>\$ (201,276,811)</u>	<u>\$ (195,185,905)</u>	<u>\$ (171,773,098)</u>	<u>\$ (153,851,233)</u>

Farmington Public School District

	As of June 30,			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses				
Governmental activities:				
Instruction	\$ 93,402,687	\$ 95,922,327	\$ 89,144,470	\$ 83,023,833
Support services	54,103,272	55,576,921	50,369,101	47,348,639
Nutrition services	3,648,056	3,676,318	3,754,799	3,263,892
Athletics	1,972,380	1,799,480	1,788,212	1,871,122
Community services	1,351,112	1,441,845	1,579,754	1,413,280
Interdistrict payments	-	-	-	-
Interest on long-term debt and other	1,682,306	2,313,319	3,685,573	3,125,884
Other debt costs	-	-	-	-
Depreciation (unallocated)	<u>3,054,974</u>	<u>3,012,856</u>	<u>2,991,551</u>	<u>2,843,930</u>
Total governmental activities	159,214,787	163,743,066	153,313,460	142,890,580
Program revenue				
Charges for services:				
Instruction	141,332	155,792	167,783	183,938
Support services	384,303	386,105	390,693	407,735
Food services	2,177,921	2,220,997	2,240,900	2,000,464
Athletics	657,129	651,087	637,501	653,934
Community services	1,126,506	1,135,108	1,064,660	1,032,701
Operating grants and contributions	<u>32,930,138</u>	<u>33,771,843</u>	<u>32,384,317</u>	<u>38,679,893</u>
Total program revenue	<u>37,417,329</u>	<u>38,320,932</u>	<u>36,885,854</u>	<u>42,958,665</u>
Net (expense) revenue	(121,797,458)	(125,422,134)	(116,427,606)	(99,931,915)
General Revenue				
Property taxes	50,140,673	47,981,086	51,629,686	50,893,808
State aid not restricted to specific purposes	67,506,547	68,748,701	68,498,645	58,042,621
Federal sources - unrestricted	-	-	-	-
Investment earnings	61,865	7,883	623,038	494,663
Other	<u>1,902,789</u>	<u>2,156,945</u>	<u>1,358,951</u>	<u>13,958</u>
Total general revenue	119,611,874	118,894,615	122,110,320	109,445,050
Special Item				
Change in Net Position	<u>\$ (2,185,584)</u>	<u>\$ (6,527,519)</u>	<u>\$ 5,682,714</u>	<u>\$ 9,513,135</u>

* Historically, approximately 50 percent of charges for services is for nutrition services and the balance is for community education tuition and facility usage charges.

Source: Farmington Public School District audited financial statements

Financial Trend Information

Changes in Governmental Net Position

Last Ten Fiscal Years

As of June 30,					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 82,284,322	\$ 84,797,861	\$ 89,682,813	\$ 85,085,371	\$ 72,085,015	\$ 84,041,376
46,716,391	50,241,412	52,891,179	52,841,038	48,651,209	56,044,351
3,476,209	3,287,761	1,482,167	2,291,990	1,605,764	3,562,282
1,841,765	1,816,325	3,190,774	1,445,370	3,243,190	1,854,398
1,345,953	1,289,169	1,286,765	1,297,075	1,515,629	2,161,849
-	-	-	-	-	1,037,305
3,733,345	5,463,229	6,299,759	6,797,777	7,019,583	5,714,968
-	-	-	-	-	232,377
<u>4,535,757</u>	<u>4,949,376</u>	<u>4,635,558</u>	<u>3,945,005</u>	<u>4,200,213</u>	<u>5,402,592</u>
143,933,742	151,845,133	159,469,015	153,703,626	138,320,603	160,051,498
676,910	711,205	739,441	188,435	129,119	221,847
313,074	474,899	244,407	178,503	347,824	282,387
2,017,007	2,109,968	1,422,338	77,558	540,492	1,575,508
625,659	656,161	469,314	326,329	274,055	555,314
897,554	973,242	608,827	240,929	936,818	1,083,322
<u>40,589,208</u>	<u>38,884,270</u>	<u>41,441,121</u>	<u>46,092,484</u>	<u>50,390,140</u>	<u>55,410,410</u>
<u>45,119,412</u>	<u>43,809,745</u>	<u>44,925,448</u>	<u>47,104,238</u>	<u>52,618,448</u>	<u>59,128,788</u>
(98,814,330)	(108,035,388)	(114,543,567)	(106,599,388)	(85,702,155)	(100,922,710)
50,523,428	51,864,257	53,301,213	54,231,308	53,443,400	55,875,143
58,583,743	57,987,402	55,114,928	56,967,649	54,834,814	56,653,291
-	-	-	-	-	-
642,894	1,643,441	1,067,399	158,225	202,257	3,834,529
<u>6,214</u>	<u>(12,421,244)</u>	<u>(210,169)</u>	<u>437,742</u>	<u>634,491</u>	<u>2,481,612</u>
109,756,279	99,073,856	109,273,371	111,794,924	109,114,962	118,844,575
<u>\$ 10,941,949</u>	<u>\$ (8,961,532)</u>	<u>\$ (5,270,196)</u>	<u>\$ 5,195,536</u>	<u>\$ 23,412,807</u>	<u>\$ 17,921,865</u>

Farmington Public School District

	As of June 30,			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund:				
Nonspendable	\$ 835,743	\$ 661,116	\$ 746,904	\$ 734,773
Committed	6,801,338	3,000,517	6,336,300	7,161,263
Assigned	4,330,988	4,698,095	3,359,655	1,673,715
Unassigned	-	-	2,259,671	5,322,980
Total general fund	<u>\$ 11,968,069</u>	<u>\$ 8,359,728</u>	<u>\$ 12,702,530</u>	<u>\$ 14,892,731</u>
All other governmental funds:				
Nonspendable, reported in:				
Special revenue funds	39,470	34,038	38,302	30,063
Restricted, reported in:				
Special revenue funds	2,943,868	2,952,925	1,067,900	1,177,781
Debt service funds	786,414	227,029	754,951	865,773
Capital projects fund - bonded	-	76,602,905	68,361,556	32,514,535
Committed, reported in:				
Capital project funds	579,928	146,116	117,434	117,837
Student activities	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 4,349,680</u>	<u>\$ 79,963,013</u>	<u>\$ 70,340,143</u>	<u>\$ 34,705,989</u>

Source: Farmington Public School District audited financial statements

Financial Trend Information

Fund Balances - Governmental Funds

Last Ten Fiscal Years

As of June 30,					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,157,411	\$ 1,412,287	\$ 1,389,599	\$ 1,292,975	\$ 1,176,329	\$ 1,405,633
5,152,597	11,272,098	10,842,949	12,517,141	3,661,668	7,030,195
-	-	679,196	963,293	793,119	500,000
9,140,094	5,480,191	8,479,160	16,458,154	25,998,385	28,064,759
<u>\$ 15,450,102</u>	<u>\$ 18,164,576</u>	<u>\$ 21,390,904</u>	<u>\$ 31,231,563</u>	<u>\$ 31,629,501</u>	<u>\$ 37,000,587</u>
48,873	27,882	52,523	43,418	51,937	66,933
1,030,408	1,292,774	1,296,157	1,264,025	2,360,440	2,453,134
1,054,390	1,028,557	1,521,285	1,170,000	932,966	1,698,695
56,262,566	35,327,259	86,197,862	73,728,171	54,843,217	53,809,219
118,517	500,962	1,191,776	2,091,994	2,993,566	5,046,066
-	-	-	860,212	869,642	845,922
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 58,514,754</u>	<u>\$ 38,177,434</u>	<u>\$ 90,259,603</u>	<u>\$ 79,157,820</u>	<u>\$ 62,051,768</u>	<u>\$ 63,919,969</u>

Farmington Public School District

	As of June 30,			
	2014	2015	2016	2017
Revenue				
Local revenue	\$ 56,401,936	\$ 54,255,170	\$ 57,914,213	\$ 56,823,935
State revenue	81,213,142	83,101,032	82,062,850	79,540,215
Federal revenue	5,707,257	5,731,381	5,608,374	5,073,500
Interdistrict revenue	12,682,208	12,694,664	11,788,943	11,318,752
Total revenue	156,004,543	155,782,247	157,374,380	152,756,402
Expenditures				
Current:				
Instruction	92,780,320	92,034,829	85,548,608	84,698,693
Support services	53,564,499	53,105,932	48,240,724	46,227,964
Athletics	1,972,380	1,799,480	1,788,212	1,887,855
Nutrition services	3,646,676	3,676,318	3,651,062	3,291,564
Community services	1,329,693	1,424,828	1,496,704	1,417,606
Debt service:				
Principal	6,350,000	6,150,000	7,215,000	7,430,000
Debt issuance costs	-	537,564	-	-
Interest	1,638,386	1,771,184	3,725,090	4,044,991
Other debt costs	-	-	-	-
Capital Outlay	901,333	518,875	11,295,327	35,856,729
Intergovernmental payments	592,863	434,061	678,074	812,115
Total expenditures	162,776,150	161,453,071	163,638,801	185,667,517
Excess of Revenue (Under) Over	(6,771,607)	(5,670,824)	(6,264,421)	(32,911,115)
Other Financing Sources (Uses)				
Debt issuance	-	81,050,000	-	-
Premium on debt issued	-	9,186,782	-	-
Sale of capital assets	8,197	502,255	532,260	9,255
Transfers in	8,220,060	8,479,893	266,955	173,592
Transfers out	(8,220,060)	(8,479,893)	(266,955)	(173,592)
Payments to bond escrow agent	-	(13,063,221)	-	-
Total other financing sources (uses)	8,197	77,675,816	532,260	9,255
Net change in fund balances	(6,763,410)	72,004,992	(5,732,161)	(32,901,860)
Fund Balances - Beginning of year	23,081,159	16,317,749	88,322,741	82,590,580
Fund Balances - End of year	\$ 16,317,749	\$ 88,322,741	\$ 82,590,580	\$ 49,688,720
Debt service as a percentage of noncapital expenditures	5.21%	5.56%	7.77%	8.34%

Source: Farmington Public School District audited financial statements

Financial Trend Information

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

As of June 30,					
2018	2019	2020	2021	2022	2023
\$ 56,820,326	\$ 59,272,881	\$ 58,995,894	\$ 56,925,388	\$ 57,542,113	\$ 66,235,164
80,753,569	79,439,607	77,900,206	79,076,235	79,383,528	96,217,259
4,584,875	6,552,413	6,015,529	11,787,860	13,355,204	11,945,128
10,973,273	11,615,912	11,362,842	12,176,602	12,621,598	11,442,080
153,132,043	156,880,813	154,274,471	159,966,085	162,902,443	185,839,631
85,131,450	85,128,370	83,267,562	81,924,865	85,838,569	94,833,432
47,646,320	48,694,856	47,408,343	48,508,103	53,008,872	59,196,716
1,903,395	1,844,753	1,429,971	1,435,124	1,668,289	2,025,807
3,547,386	3,320,045	3,077,384	2,242,587	3,518,833	3,789,337
1,395,012	1,297,459	1,199,880	1,158,934	1,815,060	2,030,442
7,455,000	6,900,000	7,035,000	6,065,000	6,355,000	6,695,000
556,576	-	326,626	57,891	303,921	-
3,740,820	5,085,422	4,933,121	6,775,362	6,804,613	6,530,706
-	-	-	-	-	232,377
31,982,988	22,374,148	17,954,133	12,962,058	19,392,931	33,448,506
777,328	922,418	1,157,458	1,000,846	949,469	1,037,305
184,136,275	175,567,471	167,789,478	162,130,770	179,655,557	209,819,628
(31,004,232)	(18,686,658)	(13,515,007)	(2,164,685)	(16,753,114)	(23,979,997)
54,675,000	-	57,265,000	-	-	27,015,000
562,493	-	10,855,498	-	-	3,071,969
42,875	1,063,812	703,006	8,191	45,000	1,132,315
177,675	547,542	999,165	1,038,519	1,040,931	2,137,957
(177,675)	(547,542)	(999,165)	(1,038,519)	(1,040,931)	(2,137,957)
-	-	-	-	-	-
55,280,368	1,063,812	68,823,504	8,191	45,000	31,219,284
24,276,136	(17,622,846)	55,308,497	(2,156,494)	(16,708,114)	7,239,287
49,688,720	73,964,856	56,342,010	112,545,877	110,389,383	93,681,269
\$ 73,964,856	\$ 56,342,010	\$ 111,650,507	\$ 110,389,383	\$ 93,681,269	\$ 100,920,556
8.42%	8.54%	9.01%	9.54%	9.23%	8.17%

Farmington Public School District

Taxable Value by Property Type					
Real Property			Commercial		Industrial
Tax Year	Residential	Commercial	Industrial	Personal Property	Personal Property
2013	2,152,620,080	731,842,410	92,365,090	137,119,430	75,384,170
2014	2,206,252,830	695,602,580	91,896,530	120,006,060	76,000,470
2015	2,279,432,190	695,770,180	94,275,590	124,588,940	76,455,060
2016	2,323,967,980	697,227,610	92,660,800	121,347,540	34,303,610
2017	2,394,338,920	717,326,830	94,328,290	123,873,610	29,731,320
2018	2,486,688,870	741,540,180	104,608,030	122,285,560	26,284,020
2019	2,591,755,350	773,336,870	111,015,520	128,999,420	20,678,430
2020	2,694,273,080	808,369,840	119,721,280	127,860,260	18,778,930
2021	2,779,269,890	846,091,890	124,603,780	130,508,500	19,757,730
2022	3,158,856,160	994,422,075	143,626,481	131,792,410	13,965,680

Note: Under Michigan law, the revenue base is referred to as "Taxable Value". This amount represents Assessed value (50% of true cash value), limited for each property by the lower of 5% or inflation.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year

Source: Oakland County Form L-4028

Revenue Capacity Information

Taxable Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Taxable Value by Property Type

Utility Personal Property	Total Value	Tax rate (mills)		Estimated Actual Value	Taxable Value as a % of Actual
		Homestead/Non- Homestead			
48,422,550	3,237,753,730	13.0150/20.5600		6,475,507,460	50.00%
49,097,810	3,238,856,280	11.7472/20.2600		6,477,712,560	50.00%
52,464,870	3,322,986,830	12.4418/21.4400		6,645,973,660	50.00%
55,425,380	3,324,932,920	12.1482/21.4400		6,649,865,840	50.00%
60,536,590	3,420,135,560	11.4628/21.3000		6,840,271,120	50.00%
63,545,460	3,544,952,120	11.3026/21.3000		7,089,904,240	50.00%
75,280,180	3,701,065,770	10.8634/21.3000		7,402,131,540	50.00%
82,232,230	3,851,235,620	10.4451/21.2000		7,702,471,240	50.00%
91,336,690	3,991,568,480	9.4482/21.2000		7,983,136,960	50.00%
98,036,070	4,540,698,876	8.9067/20.9216		9,081,397,752	50.00%

Farmington Public School District

Millage rates - direct school taxes						
Operating				Total Direct Taxes		
Tax Year	Fiscal Year Ended June 30	Homestead	Non-homestead	Debt*	Homestead	Non-homestead
2013	2014	10.4550	18.0000	2.5600	13.0150	20.5600
2014	2015	9.4872	18.0000	2.2600	11.7472	20.2600
2015	2016	9.0018	18.0000	3.4400	12.4418	21.4400
2016	2017	8.7082	18.0000	3.4400	12.1482	21.4400
2017	2018	8.1268	18.0000	3.3000	11.4268	21.3000
2018	2019	8.0026	18.0000	3.3000	11.3026	21.3000
2019	2020	7.5434	18.0000	3.3000	10.8634	21.3000
2020	2021	7.2451	18.0000	3.2000	10.4451	21.2000
2021	2022	6.2482	18.0000	3.2000	9.4482	21.2000
2022	2023	5.7067	17.7216	3.2000	8.9067	20.9216

* Debt millage applies to homestead and nonhomestead property.

Sources: Assessment and tax roll certificates and warrants for West Bloomfield
Township, City of Farmington Hills, and City of Farmington

Revenue Capacity Information

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

Overlapping taxes

Oakland County	Oakland Community College	Oakland Intermediate School District	State Education	City of Farmington	City of Farmington Hills	Township of West Bloomfield
4.9461	1.5844	3.3690	6.0000	16.5856	13.9392	12.2550
4.0019	1.5844	3.3690	6.0000	16.5856	13.9394	12.2550
4.0900	1.5819	3.3633	6.0000	15.0000	14.3908	12.2112
4.2800	1.5708	3.3980	6.0000	15.0000	14.3200	12.1700
4.4908	1.5555	3.3079	6.0000	15.0000	14.6569	12.0487
4.0400	1.5431	3.2813	6.0000	15.5000	14.5797	11.9618
4.0400	1.5303	3.2539	6.0000	18.4322	17.1905	11.8579
4.0200	1.5184	3.2280	6.0000	18.3559	17.0017	11.7840
4.0132	1.5057	3.2012	6.0000	18.3105	16.8566	11.7285
3.9686	1.4891	3.1658	6.0000	19.7084	18.0435	11.6475

Revenue Capacity Information
Principal Property Taxpayers
Current and Ten Years Ago

	Taxpayer	2022 Taxable Value	% of total	Taxpayer	2013 Taxable Value	% of total	2013 Rank
1	Oakland Management Co.	\$ 54,207,830	1.19%	Oakland Management Co.	\$ 47,443,850	1.47%	1
2	DTE Energy	44,871,530	0.99%	DTE Energy	31,457,410	0.97%	2
3	Consumers Energy	35,321,140	0.78%	Robert Bosch Corp.	28,139,960	0.87%	3
4	Hunters Ride Bldg. Co.	32,613,480	0.72%	Nissan Corp.	26,519,690	0.82%	4
5	FH Corporate Investors (Kojaian)	27,345,050	0.60%	FH Corporate Inv (Kojaian)	24,940,410	0.77%	5
6	Independence Green Assoc LLC	26,773,960	0.59%	Green Hill Apts.	16,785,430	0.52%	6
7	Nissan North America Inc.	20,361,715	0.45%	Ramco/Lion Venture LP	14,593,360	0.45%	7
8	Green Hill Apts.	19,738,410	0.43%	Aimco (Independence Green)	12,600,360	0.39%	8
9	Ramco/Lion Venture LP	14,590,300	0.32%	Hartman & Tyner	12,278,530	0.38%	9
10	Finsilver Friedman	14,491,440	0.32%	Chrysler Financial Corp.	11,934,390	0.37%	10
	Total	\$ 290,314,855	6.39%		\$ 226,693,390	7.00%	
	Total School District Taxable Value	\$ 4,540,698,876			\$ 3,237,753,730		

Source: Cities of Farmington and Farmington Hills

Farmington Public School District

Revenue Capacity Information Property Tax Levies and Collections

Last Ten Fiscal Years

Tax Year	Year ended June 30,	Total levy	Current collections (1)	Percent collected	Delinquent collections (2)	Total tax collections	Percent of levy collected
2013	2014	50,765,606	50,678,031	99.83%	41,439	50,719,470	99.91%
2014	2015	47,485,452	47,382,532	99.78%	-	47,382,532	99.78%
2015	2016	51,359,325	51,260,368	99.81%	-	51,260,368	99.81%
2016	2017	50,919,669	50,893,807	99.95%	-	50,893,807	99.95%
2017	2018	50,581,629	50,523,427	99.88%	-	50,523,427	99.88%
2018	2019	51,757,190	51,671,366	99.83%	-	51,671,366	99.83%
2019	2020	53,113,716	52,982,308	99.75%	-	52,982,308	99.75%
2020	2021	54,088,446	53,980,248	99.80%	-	53,980,248	99.80%
2021	2022	53,360,982	52,363,313	98.13%	-	52,363,313	98.13%
2022	2023	55,793,253	51,682,949	92.63%	-	51,682,949	92.63%

(1) Represents collections through the final distribution of taxes, including delinquent real taxes purchased by the county

(2) Represents all collections after the final distribution date, through the current date

Source: Farmington Public School District audited financial statements

Farmington Public School District

	As of June 30,			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities:				
General obligation bonds	\$ 28,575,000	\$ 90,170,000	\$ 82,955,000	\$ 75,525,000
Less: pledged debt service funds	-	-	-	-
Net general bonded debt	28,575,000	90,170,000	82,955,000	75,525,000
Installment purchase agreements	-	-	-	-
Capital leases	-	-	-	-
Total debt of school district	<u>28,575,000</u>	<u>90,170,000</u>	<u>82,955,000</u>	<u>75,525,000</u>
Taxable Value	6,475,507,460	6,477,712,560	6,645,973,660	6,649,865,840
Net general bonded obligation debt as a percentage of taxable value	0.44%	1.39%	1.25%	1.14%
Total Population	84,300	84,300	84,300	84,300
Total debt per capita	\$ 339	\$ 1,070	\$ 984	\$ 896
Per capita personal income	\$ 37,187	\$ 37,187	\$ 37,187	\$ 37,187
Total debt to per capita personal income	768:1	2425:1	2231:1	2031:1

Note: If personal income is unavailable, it is acceptable to use Taxable Value

Sources: Farmington Public School District audited financial statements
Population information obtained from Southeastern Michigan Council of Governments

Debt Capacity Information

Ratios of Outstanding Debt

Last Ten Fiscal Years

As of June 30,					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 122,745,000	\$ 115,845,000	\$ 166,075,000	\$ 160,010,000	\$ 153,655,000	\$ 173,975,000
-	-	-	-	-	-
122,745,000	115,845,000	166,075,000	160,010,000	153,655,000	173,975,000
-	-	-	-	-	-
-	-	-	-	-	-
122,745,000	115,845,000	166,075,000	160,010,000	153,655,000	173,975,000
6,840,271,120	7,089,904,240	9,382,768,362	7,687,337,680	7,968,003,400	8,508,707,780
1.79%	1.63%	1.77%	2.08%	1.93%	2.04%
91,600	91,500	91,500	91,700	95,600	95,600
\$ 1,340	\$ 1,266	\$ 1,815	\$ 1,745	\$ 1,607	\$ 1,820
\$ 40,089	\$ 40,920	\$ 44,263	\$ 45,156	\$ 49,576	\$ 50,222
3062:1	2831:1	3752:1	3543:1	3099:1	3464:1

Farmington Public School District

Debt Capacity Information Direct and Overlapping Governmental Activities Debt

June 30, 2023

Governmental unit	Debt outstanding	Estimated percent applicable	Estimated share of overlapping debt
City of Farmington	\$ 17,085,262	100.00%	\$ 17,085,262
City of Farmington Hills	92,723,805	92.91%	86,149,687
Township of West Bloomfield	57,443,679	3.68%	2,113,927
Oakland County	181,894,707	6.19%	11,259,282
Oakland Intermediate School District	39,675,000	6.22%	2,467,785
Total overlapping debt			119,075,943
Direct district debt			<u>173,975,000</u>
Total direct and overlapping debt			<u>\$ 293,050,943</u>

Source: Municipal Advisory Council of Michigan, June 2023

The share of overlapping debt is determined by taking the amount of taxable value in each jurisdiction that is within the boundaries of the School District as a percentage of the total taxable value of that jurisdiction. That percentage is then applied to the direct tax-supported debt of the jurisdiction to determine the School District's overlapping share. Only tax-supported debt is included in the overlapping debt.

Farmington Public School District

	As of June 30,			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Calculation of debt limit				
State equalized valuation (SEV)	\$ 3,281,856,510	\$ 3,458,703,200	\$ 3,770,509,520	\$ 3,994,121,140
15% of state equalized valuation (SEV)	492,278,477	518,805,480	565,576,428	599,118,171
Calculation of debt subject to limit				
Total debt	28,575,000	90,170,000	82,955,000	75,525,000
Less debt not subject to limit:				
State qualified debt issuance	<u>(28,575,000)</u>	<u>(9,120,000)</u>	<u>(7,055,000)</u>	<u>(4,800,000)</u>
Net debt subject to limit	<u>-</u>	<u>81,050,000</u>	<u>75,900,000</u>	<u>70,725,000</u>
Legal debt margin	<u>492,278,477</u>	<u>437,755,480</u>	<u>489,676,428</u>	<u>528,393,171</u>
Net debt subject to limit as a percentage of debt limit	0.00%	15.62%	13.42%	11.80%

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

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

**Based upon the strength of the School District's credit rating, along with a projected increase in taxable values in the foreseeable future, the School District selected the non-qualified bond option; however, it still met all of the requirements of the qualification process.

Source: School District audited financial statements

Debt Capacity Information					
Legal Debt Margin					
Last Ten Fiscal Years					
As of June 30,					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 4,228,770,840	\$ 4,425,044,500	\$ 4,702,442,020	\$ 5,235,479,320	\$ 5,593,087,890	\$ 6,101,264,200
634,315,626	663,756,675	705,366,303	785,321,898	838,963,184	915,189,630
122,745,000	115,845,000	166,075,000	160,010,000	153,655,000	173,975,000
(2,500,000)	-	-	-	-	-
<u>120,245,000</u>	<u>115,845,000</u>	<u>166,075,000</u>	<u>160,010,000</u>	<u>153,655,000</u>	<u>173,975,000</u>
<u>514,070,626</u>	<u>547,911,675</u>	<u>539,291,303</u>	<u>625,311,898</u>	<u>685,308,184</u>	<u>741,214,630</u>
18.96%	17.45%	23.54%	20.38%	18.31%	19.01%

Farmington Public School District

Demographic and Economic Information

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal year	Population	Total Personal Income	Per Capita Personal	Unemployment rate
			Income	
2014	84,300	3,134,864	37,187	6.26%
2015	84,300	3,134,864	37,187	3.73%
2016	84,300	3,134,864	37,187	2.90%
2017	91,600	3,556,828	38,830	4.30%
2018	91,600	3,672,152	40,089	3.80%
2019	91,500	3,668,418	40,092	4.00%
2020	91,500	4,050,064	44,263	8.70%
2021	91,700	4,140,805	45,156	3.90%
2022	95,600	4,739,466	49,576	4.30%
2023	95,600	4,801,223	50,222	3.60%

Sources: U.S. Bureau of the Census, Census 2020
Michigan Department of Labor and Economic Growth
Southeast Michigan Council of Governments

Farmington Public School District

Demographic and Economic Information

Principal Employers

Employer	2023 Employees	Percentage of total	2014 Employees	Percentage of total
Beaumont Hospital - Farmington Hills	1,517	1.87%	2,538	2.90%
Magnum Engineering	-	0.00%	2,000	2.30%
Pkc Group USA Inc	1,398	1.72%	-	0.00%
Farmington Public Schools	1,201	1.48%	1,400	1.60%
Flagstar Bank Home Loan Center	1,200	1.48%	-	0.00%
Nissan Technical Center North America	-	0.00%	1,200	1.40%
ZF TRW	1,141	1.41%	600	0.00%
Robert Bosch Corporation	1,019	1.26%	1,600	1.80%
Cengage Learning (Gale)	-	0.00%	900	1.00%
MAHLE Industries, Inc	-	0.00%	850	1.00%
Greenpath Financial Wellness	830	1.02%	-	0.00%
TD Auto Finance	800	0.00%	900	1.00%
Accesspoint, LLC	728	0.90%	-	0.00%
Judson Center	700	0.86%	-	0.00%
Harman Automotive Systems	-	0.00%	700	0.80%
MINACS	-	0.00%	506	0.60%
ACO Incorporated	-	0.00%	500	0.60%
Total principal employers	<u>10,534</u>	12.01%	<u>13,694</u>	15.00%
Total employment	<u>81,051</u>		<u>87,326</u>	

Sources: City of Farmington Hills website
Oakland County
Southeast Michigan Council of Governments
Farmington Public School District

Note: Total employment information is obtained from the Bureau of Labor Statistics.

Farmington Public School District

<u>Function/ program:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government				
Instruction	838	804	701	701
Support services	468	445	413	350
Community service	4	3	3	3
Athletics	2	2	2	2
Food service	<u>69</u>	<u>69</u>	<u>69</u>	<u>63</u>
 Total	 <u>1,381</u>	 <u>1,323</u>	 <u>1,188</u>	 <u>1,119</u>

Source: Farmington Public School District Personnel Department

Operating Information
Full-Time Equivalent School District Employees

Last Ten Fiscal Years

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
707	726	716	704	719	734
351	355	361	348	375	370
3	3	3	3	4	6
2	2	2	2	2	2
<u>63</u>	<u>63</u>	<u>63</u>	<u>63</u>	<u>52</u>	<u>52</u>
<u>1,126</u>	<u>1,149</u>	<u>1,145</u>	<u>1,120</u>	<u>1,152</u>	<u>1,164</u>

Farmington Public School District

Operating Information Operating Indicators

Last Ten Fiscal Years

Year	Enrollment	Operating expenditures	Cost per pupil	Operating revenue	Revenue per pupil	Total teaching staff	Percentage of students qualifying for free/reduced meals	Average teacher salary
2014	10,776	143,417,384	13,309	129,848,413	12,050	794	23.68%	75,930
2015	10,332	141,740,089	13,719	129,912,019	12,574	762	23.51%	76,625
2016	10,097	137,710,021	13,639	141,274,125	13,992	663	21.80%	75,627
2017	9,719	135,139,630	13,905	137,236,964	14,120	661	23.30%	76,176
2018	9,669	136,966,622	14,166	137,213,443	14,191	675	26.93%	76,087
2019	9,550	138,205,540	14,472	140,071,260	14,667	684	26.84%	76,586
2020	9,433	134,585,729	14,268	137,672,209	14,595	682	26.49%	75,421
2021	9,401	133,712,717	14,223	144,306,666	15,350	659	27.29%	74,391
2022	8,955	142,886,149	15,955	143,998,156	16,079	687	28.17%	74,387
2023	9,019	158,274,933	17,549	164,375,747	18,225	720	31.52%	76,107

Sources: Farmington Public School District audited financial statements
Michigan Department of Education Bulletin 1014

Farmington Public School District

Function/ program	As of June 30,			
	2014	2015	2016	2017
Instructional buildings:				
Elementary:				
Number of buildings	9	9	9	9
Square footage	459,488	459,488	459,488	459,488
Capacity	4,389	4,389	4,389	4,389
Enrollment*	3,607	3,431	3,351	3,950
Upper Elementary:				
Number of buildings	2	2	2	-
Square footage	209,452	209,452	209,452	-
Capacity	1,830	1,830	1,830	-
Enrollment*	1,523	1,408	1,322	-
K-8 School:				
Number of buildings	-	-	-	-
Square footage	-	-	-	-
Capacity	-	-	-	-
Enrollment*	-	-	-	-
Middle:				
Number of buildings	2	2	2	3
Square footage	232,200	232,200	232,200	344,452
Capacity	1,848	1,848	1,848	2,782
Enrollment*	1,691	1,611	1,530	2,035
High:				
Number of buildings	3	3	3	3
Square footage	734,412	734,412	734,412	734,412
Capacity	3,856	3,856	3,856	3,856
Enrollment*	3,719	3,639	3,544	3,364
Other:				
Number of buildings	4	4	4	4
Square footage	112,532	112,532	112,532	112,532
Capacity	605	605	605	605
Enrollment*	298	287	248	245
Administrative:				
Number of buildings	3	3	3	3
Square footage	77,588	77,588	77,588	77,588
Transportation/Maintenance:				
Number of garages	1	1	1	1
Buses	96	96	95	95
Athletics:				
Football/Soccer fields	15	15	15	15
Running tracks	5	5	5	5
Baseball/softball	31	31	31	31
Swimming pools	3	3	3	3
Playgrounds	14	14	14	14

* Enrollment is based upon the fall head count of pupils.

Source: Farmington Public School District

Operating Information

Capital Asset Information

Last Ten Fiscal Years

As of June 30,					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
8	8	8	8	8	8
423,652	423,652	423,652	423,652	423,652	423,652
4,103	4,103	4,103	4,103	4,103	4,103
3,471	3,597	3,652	3,535	3,620	3,627
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1	1	1	1	1	1
84,720	84,720	84,720	84,720	84,720	84,720
896	896	896	896	896	896
598	699	717	721	630	707
3	3	3	3	3	3
348,552	348,552	348,552	348,552	348,552	348,552
2,832	2,832	2,832	2,832	2,832	2,832
1,903	1,813	1,816	1,765	1,689	1698
3	3	2	2	2	2
734,412	734,412	489,105	489,105	489,105	489,105
3,856	3,856	2,372	2,372	2,372	2,372
3,242	3,057	2,860	2,738	2,672	2,719
5	5	5	5	5	5
135,323	135,323	135,323	135,323	135,323	135,323
941	941	941	941	941	941
252	244	240	236	237	269
3	3	3	3	3	3
77,588	77,588	77,588	77,588	77,588	77,588
1	1	1	1	1	1
95	95	95	95	95	95
15	15	13	13	13	13
5	5	5	5	5	5
31	31	28	28	28	28
3	3	2	2	2	2
14	14	14	14	14	14