

MANCELONA PUBLIC SCHOOLS
REPORT ON FINANCIAL STATEMENTS
JUNE 30, 2023

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

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MANCELONA, MICHIGAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Mancelona Public Schools
Mancelona, Michigan

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

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

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

- Exercise professional judgement 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 Mancelona Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mancelona Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, on pages 4-12 and 48-53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mancelona Public Schools basic financial statements. The accompanying combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are 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 report. The other information comprises the bond schedules, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2023, on our consideration of Mancelona Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mancelona Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mancelona Public Schools' internal control over financial reporting and compliance.

UHY LLP

Cadillac, Michigan
August 11, 2023

**Mancelona Public Schools
Mancelona, Michigan
Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

Mancelona Public Schools (“the District”) is a K-12 school district educating students in Antrim and Kalkaska Counties, Michigan, as well as students outside its borders who choose to attend through the “schools of choice” program. Our school strives to meet the highest educational standards and takes pride in our school motto “Strong Kids Strong Education.” The District has an outstanding Early Childhood Program which includes an on-site daycare center, Strong Beginnings and Great Start Readiness Program.

The District is unique in the network of outstanding community partnerships. Encouraging family and community involvement through organizations and tools such as Communities in Schools of Northwest Michigan, Get Involved (parent group), Mancelona Educational Foundation and Powerschool is also important to the District’s achievement. In addition, the District is fortunate to have the Resource Center and Ironmen Health Center (on the middle school campus) which are both vital to the District’s success.

“IRONMEN PRIDE” is prevalent throughout the entire community. The residents prioritize the success of the district by supporting bond proposals such as the Building & Site Sinking Fund and the August 2022 bond for buses, technology and district-wide facility improvements. This additional funding has allowed the District to have impressive, well-maintained facilities and state of the art technology.

As a leading “Schools of Choice” District, we offer an excellent academic experience with intensive reading and math interventions and new curriculum materials, all day instruction for three year olds enrolled in the Strong Beginnings program and four year olds enrolled in the Great Start Readiness Program, many web-based learning opportunities such as online credit recovery, college credit courses through Baker College taught at the high school during normal instruction hours, and college courses through dual enrollment. Mancelona Public Schools is also proud of their athletic, band, and visual art programs.

This section of Mancelona Public Schools’ (the “District”) annual report presents our discussion and analysis of the District’s financial performance during the year ended June 30, 2023. Please read it in conjunction with the District’s financial statements, which immediately follows this section.

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The basic financial statements consist of the following three components: the government-wide financial statements, fund financial statements, and the notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Financial Highlights Section

Government-Wide

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$1,867,808 creating a deficit net position. Of this amount, capital assets net of related debt was \$9,859,466.
- The government’s total net deficit decreased by \$1,840,971.

Fund Level

- As of the close of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$22,502,579, an increase of \$17,913,583 in comparison with the prior year.

**Mancelona Public Schools
Mancelona, Michigan
Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,390,838.

Overview of the Financial Statements

Government-Wide Financial Statements

The government-wide statements provide short-term and long-term financial information about the District’s overall financial status. These statements are required by generally accepted accounting principles (GAAP) as described in the Government Accounting Standards Board (GASB) Statement No. 34. The district-wide financial statements are compiled using full accrual basis of accounting and more closely represent financial statements presented by business and industry. The Statement of Net Position includes all of the District’s assets and liabilities. All of the year’s revenue and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the District’s net position and how they have changed. Net position – the difference between the District’s assets and liabilities – is one way to measure the District’s financial health or position.

Over time, increases and decreases in the District’s net position are indicators of whether its financial position is improving or deteriorating, respectively.

To assess the overall health of the District requires consideration of additional non-financial factors, such as changes in the District’s property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District’s activities are all shown in one category titled “Governmental Activities”. These activities, including regular and special education, transportation, administration, food services, athletic activities, and community services, are primarily financed with state and federal aids and property taxes.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or “major” funds, rather than the District as a whole. Funds that do not meet the threshold to be classified as major funds are called “non-major” funds. Detailed financial information for non-major funds can be found in the combining and individual fund statements section.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District may establish other funds to control and manage money for particular purposes.

The District maintains the following kind of fund:

Governmental Funds – The District’s basic services are included in governmental funds, which generally focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds

**Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

statements provide a detailed short-term view that helps to determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information (reconciliation schedules) immediately following the governmental funds statements that explain the relationship (or differences) between these two types of financial statement presentations.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-47 of this report.

Other Information

In addition to the basic financial statements, this report further presents Required Supplementary Information (RSI) that explains and supports the information presented in the financial statements.

Summary of Net Position

The following schedule summarizes the net position at fiscal year ended June 30.

	2023	2022
Assets		
Current Assets	\$ 23,957,085	\$ 5,627,778
Non Current Assets		
Capital Assets	24,029,114	22,536,248
Less Accumulated Depreciation	(12,964,307)	(12,486,573)
Total Non Current Assets	11,064,807	10,049,675
TOTAL ASSETS	35,021,892	15,677,453
Deferred Outflows of Resources	6,644,394	3,586,422
Liabilities		
Current Liabilities	1,977,052	2,103,277
Non Current Liabilities	37,035,242	12,791,043
TOTAL LIABILITIES	39,012,294	14,894,320
Deferred Inflows of Resources	4,521,800	8,078,334
Net Position		
Net Investment in Capital Assets	9,859,466	8,985,139
Restricted	415,326	565,192
Unrestricted - (Deficit)	(12,142,600)	(13,259,110)
TOTAL NET POSITION - (Deficit)	\$ (1,867,808)	\$ (3,708,779)

**Mancelona Public Schools
Mancelona, Michigan
Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

Analysis of Financial Position

During the fiscal year ended June 30, 2023, the District’s net position increased by \$1,840,971. A few of the more significant factors affecting net position during the year are discussed below:

1. Depreciation Expense

GASB 34 requires school districts to maintain a record of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation is a reduction in net position.

Depreciation expense is recorded on a straight-line basis over the estimated useful lives of the assets. In accordance with GAAP, depreciation expense is calculated based on the original cost of the asset less an estimated salvage value, where applicable. For the fiscal year ended June 30, 2023, \$630,725 was recorded for depreciation expense.

2. Pension and Other Postemployment Benefits Expense

GASB 68 and 75 now requires the District to account for its payments to the Michigan Public School Employees’ Retirement System in a manner that has a significant effect on the District’s change in net position. Based on various factors, the District may report an increase or decrease in net position depending on whether the District’s proportionate share of the net pension and OPEB liabilities increases or decreases in any given year.

3. Capital Outlay Acquisitions

For the fiscal year ended June 30, 2023, \$1,645,857 of expenditures for equipment and building improvements were capitalized and recorded as assets of the district. These additions to the District’s capital assets will be depreciated over time as explained above.

The net effect of the new capital assets, the write off of the assets disposed of during the year, and the current year’s depreciation is a net increase in capital assets in the amount of \$1,015,132 for the fiscal year ended June 30, 2023.

Change in Net Position

The following schedule summarizes the results of operations, on a district-wide basis, for the fiscal year ended June 30.

	2023	2022
General Revenues		
Property Taxes	\$ 5,052,260	\$ 4,775,895
Investment Earnings	466,778	12,434
State Sources	4,094,018	3,819,020
Gain on Sale of Capital Assets	51,000	0
Other	133,437	383,427
Total General Revenues	9,797,493	8,990,776

**Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

	2023	2022
Program Revenues		
Charges for Services	417,592	559,284
Operating Grants and Contributions	5,067,916	4,345,736
Total Program Revenues	5,485,508	4,905,020
Total Revenues	15,283,001	13,895,796
Expenses		
Instruction	5,645,089	4,778,562
Supporting Services	5,432,360	4,702,211
Food Service Activities	1,019,585	857,082
Custody and Care of Children	323,429	360,924
Community Services	4,422	231,052
Prior Period Adjustments	5,446	10,350
Interest on Long-Term Debt	216,013	44,166
Bond Issuance Costs	145,694	0
Other Transactions	19,267	25,254
Unallocated Depreciation	630,725	650,922
Total Expenses	13,442,030	11,660,523
Change in Net Position	\$ 1,840,971	\$ 2,235,273

Financial Analysis of the District's Funds

The financial performance of the District as a whole is also reflected in its governmental funds. The following table shows the change in total fund balances of each of the District's governmental funds:

	2023	2022	Increase (Decrease)
Major Fund			
General Fund	\$ 3,726,058	\$ 3,248,651	\$ 477,407
2023 Capital Projects	17,189,330	0	17,189,330
Nonmajor Funds			
Food Service	234,418	300,844	(66,426)
Latchkey	668,298	589,126	79,172
School Activities	211,288	171,846	39,442
2015 Debt Retirement	0	67,201	(67,201)
2017 Bus & Technology Debt Retirement	0	25,160	(25,160)
2023 Debt Retirement	172,012	0	172,012
Sinking Capital Projects	288,000	173,885	114,115
Stadium Capital Projects	13,175	12,283	892
Total Governmental Funds	\$ 22,502,579	\$ 4,588,996	\$ 17,913,583

Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023

The General Fund balance increased primarily due to a higher per pupil foundation amount and student count than originally budgeted, a new special education allocation, higher interest revenue on investments, and additional revenue from Northwest Education Services. The staffing shortage resulted in several unfilled positions that reduced labor costs.

The 2023 Capital Projects Fund is a new fund approved by voters in August 2022. This fund was established with the receipt of bond funds.

The Food Service Fund decreased due to the increase in food and contracted wage and benefit costs.

The Latchkey Fund increased primarily due to Childcare Relief funding to offset employee costs.

The School Activities Fund increased due to the continuation of fundraisers and events.

The 2015 Debt Retirement Fund is closed due to the completion of debt payments.

The 2017 Bus & Technology Debt Retirement Fund is closed due to the completion of debt payments.

The 2023 Debt Retirement Fund increased due to the transfer in of the 2015 & 2017 Debt Retirement closing balances.

The Sinking Capital Projects Fund increased because there were less expenditures on capital assets and building improvements.

The Stadium Capital Projects Fund change was minimal.

General Fund Budgetary Highlights

The Uniform Budgeting Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to its starting on July 1. Any amendments made to the operating budget must be approved by the Board prior to the close of the fiscal year on June 30.

For the 2022-2023 fiscal year, the District amended the General Fund various times. The following schedule shows a comparison of the original General Fund budget, the final amended General Fund budget, and actual totals from operations:

**Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues	\$ 11,055,975	\$ 13,880,830	\$ 12,516,275
Expenditures			
Instruction	\$ 6,396,952	\$ 7,078,643	\$ 6,496,789
Supporting Services	4,931,023	6,565,659	5,558,115
Community Services	20,000	4,927	4,422
Prior Period Adjustments	50,000	12,000	5,446
Debt Service	0	30,000	0
Other Transactions	32,000	21,000	19,096
Total Expenditures	\$ 11,429,975	\$ 13,712,229	\$ 12,083,868

The original revenue sources budget of \$11,055,975 was increased to \$13,880,830 as a result of the following: a greater increase in the per pupil foundation allowance and student count than originally estimated at budget adoption, a new special education allocation, increased interest revenue, additional and new grant funding, the sale of a bus, and an increase in monies from the Northwest Education Services. Actual revenue amounts were below budgeted amounts due to grant receipts being less than budgeted since final requests will occur in the 2023-2024 carryover time frame.

The original expenditure budget of \$11,429,975 was increased to \$13,712,229 due to additional and new grant funding and curriculum related purchases. Actual expenditures were below the final budget due to not fully expending the allocated grant funding which will occur in the subsequent school year as carryover allows.

The following purchases contributed to the overall increase in expenditures: a new 6th-12th reading curriculum, locker room upgrades at the middle and high schools, a tractor, a new van, two floor scrubbers, and furniture needs.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2023, amounted to \$11,064,807 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and additions, machinery and equipment, and transportation equipment.

**Mancelona Public Schools
Capital Assets (Net of Depreciation, When Applicable)**

	2023	2022
Land and Improvements	\$ 350,614	\$ 378,226
Buildings and Additions	8,606,401	8,870,123
Machinery and Equipment	358,174	337,100
Transportation Equipment	626,171	464,226
Construction in Progress	1,123,447	0
Total Capital Assets	\$ 11,064,807	\$ 10,049,675

**Mancelona Public Schools
Mancelona, Michigan
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Additions to capital assets included:

- Building improvements and upgrades in the amount of \$1,238,564.
- Press box renovations in the amount of \$23,960.
- Baseball and softball scoreboard in the amount of \$16,823.
- Scissor lift trailer in the amount of \$6,209.
- John Deere tractor in the amount of \$42,822.
- Snowblower tractor in the amount of \$5,482.
- Floor scrubbers in the amount of \$25,000.
- Chrysler van in the amount of \$39,845.
- Buses in the amount of \$247,152.

Disposals to capital assets included:

- Drain field
- Rider sweeper
- Tractor with accessories
- Dodge minivan
- Bus

Additional information on the District's capital assets can be found in the notes to this report.

Long-Term Obligations

At year-end, the District had \$37,275,242 in long-term obligations outstanding. This represents a net increase of \$23,428,735 over the amount outstanding at the close of the prior fiscal year.

Additional information on the District's long-term obligation can be found in the notes to this report.

Factors Bearing on the District's Future

At the time that these financial statements were prepared and audited, the District was aware of the following items that could significantly affect its financial health in the future:

- Enrollment is of great concern as our student count has declined as a result of the pandemic and students choosing an online or homeschool learning opportunity. Approximately 56% of the general fund revenue is based on the foundation allowance, including property taxes.
- Retirement reforms stay at the forefront of all future financial discussions since state aid is buying down the retirement rate. We are concerned about legislative decisions that determine this level of revenues (approximately \$950,000) which offset the District's retirement cost.
- The State's timeliness of budget signing continues to pose a challenge to us when budget planning.
- The anticipation of rising costs of wages, benefits, utilities, fuel, technology, software, and supplies.

Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023

- Budget planning has begun for the anticipated revenue loss once the federal funding through ESSER and other COVID relief grants have been eliminated.

- Staffing shortages pose planning issues as we try to fill positions to provide the best overall opportunities for our students.

Request for Information

This financial report is designed to provide District citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate accountability for the money it receives. Questions relating to this report, or for additional financial information, may be addressed to the Business Manager, Mancelona Public Schools, 112 St. John Street, Mancelona, MI 49659.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2023

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash	\$ 2,053,354
Accounts Receivable	56,890
Due from Other Governmental Units	1,596,392
Inventory	51,289
Prepaid Expense	20,350
Investments	2,824,375
Restricted Assets - Cash	148,661
Restricted Assets - Investments	<u>17,205,774</u>
Total Current Assets	<u>23,957,085</u>
<u>NONCURRENT ASSETS</u>	
Capital Assets (Net of Accumulated Depreciation)	
Assets Not Being Depreciated	1,242,160
Assets Being Depreciated	<u>9,822,647</u>
Total Noncurrent Assets	<u>11,064,807</u>
TOTAL ASSETS	<u>35,021,892</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows Related to Pensions	5,361,936
Deferred Outflows Related to Other Postemployment Benefits	<u>1,282,458</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>6,644,394</u>
<u>LIABILITIES</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	269,109
Accrued Expenses	473,942
Accrued Interest Payable	282,546
Salaries Payable	506,173
Unearned Revenue	205,282
Current Portion of Noncurrent Liabilities	<u>240,000</u>
Total Current Liabilities	<u>1,977,052</u>

The accompanying notes are an integral part of these financial statements.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2023

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>NONCURRENT LIABILITIES</u>	
Bonds Payable-Net	18,394,671
Compensated Absences	184,554
Net Other Postemployment Benefits Liability	951,588
Net Pension Liability	17,744,429
Less Current Portion of Noncurrent Liabilities	<u>(240,000)</u>
Total Noncurrent Liabilities	<u>37,035,242</u>
TOTAL LIABILITIES	<u>39,012,294</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows Related to Pensions	2,234,996
Deferred Inflows Related to Other Postemployment Benefits	<u>2,286,804</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,521,800</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	9,859,466
Restricted for:	
Capital Projects	301,175
Debt Service - (Deficit)	(110,534)
Food Service	224,685
Unrestricted - (Deficit)	<u>(12,142,600)</u>
TOTAL NET POSITION - (Deficit)	<u>\$ (1,867,808)</u>

The accompanying notes are an integral part of these financial statements.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		GOVERNMENTAL
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	ACTIVITIES
				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
<u>GOVERNMENTAL ACTIVITIES</u>				
Instruction	\$ 5,645,089	\$ 0	\$ 2,331,494	\$ (3,313,595)
Supporting Services	5,432,360	58,706	1,688,575	(3,685,079)
Food Service Activities	1,019,585	58,067	888,065	(73,453)
Custody and Care of Children	323,429	300,819	134,817	112,207
Community Services	4,422	0	495	(3,927)
Prior Period Adjustments	5,446	0	24,470	19,024
Interest on Long-Term Debt	216,013	0	0	(216,013)
Bond Issuance Costs	145,694	0	0	(145,694)
Other Transactions	19,267	0	0	(19,267)
Unallocated Depreciation	630,725	0	0	(630,725)
Total Governmental Activities	\$ 13,442,030	\$ 417,592	\$ 5,067,916	(7,956,522)
<u>GENERAL REVENUES</u>				
Property Taxes - General Purposes				3,762,046
Property Taxes - Debt Service				1,140,204
Property Taxes - Sinking Fund				150,010
Investment Earnings				466,778
State Sources				4,094,018
Gain on Sale of Capital Assets				51,000
Other				133,437
Total General Revenues				9,797,493
Change in Net Position				1,840,971
<u>NET POSITION</u> - Beginning of Year - (Deficit)				(3,708,779)
<u>NET POSITION</u> - End of Year - (Deficit)				\$ (1,867,808)

The accompanying notes are an integral part of these financial statements.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2023

<u>ASSETS</u>	GENERAL FUND	2023 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash	\$ 529,587	\$ 0	\$ 1,523,767	\$ 2,053,354
Accounts Receivable	1,287	0	55,603	56,890
Due from Other Governmental Units	1,546,819	0	49,573	1,596,392
Inventory	41,556	0	9,733	51,289
Prepaid Expenditures	20,213	0	137	20,350
Investments	2,824,375	0	0	2,824,375
Restricted Assets - Cash	0	148,661	0	148,661
Restricted Assets - Investments	0	17,205,774	0	17,205,774
TOTAL ASSETS	\$ 4,963,837	\$ 17,354,435	\$ 1,638,813	\$ 23,957,085
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 52,382	\$ 165,105	\$ 51,622	\$ 269,109
Accrued Expenditures	473,942	0	0	473,942
Salaries Payable	506,173	0	0	506,173
Unearned Revenue	205,282	0	0	205,282
Total Liabilities	1,237,779	165,105	51,622	1,454,506
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	41,556	0	9,733	51,289
Prepaid Expenditures	20,213	0	137	20,350
Restricted for:				
Debt Service	0	0	172,012	172,012
Capital Projects	0	17,189,330	301,175	17,490,505
Food Service	0	0	224,685	224,685
Committed for:				
Field Trips	3,140	0	0	3,140
Assigned for:				
Custody and Care of Children	0	0	668,161	668,161
Student Activities	0	0	211,288	211,288
Subsequent Year's Budget Shortfall	270,311	0	0	270,311
Unassigned	3,390,838	0	0	3,390,838
Total Fund Balances	3,726,058	17,189,330	1,587,191	22,502,579
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,963,837	\$ 17,354,435	\$ 1,638,813	\$ 23,957,085

The accompanying notes are an integral part of these financial statements.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION

JUNE 30, 2023

Total Governmental Fund Balances		\$ 22,502,579
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.		
The cost of the capital assets is	\$ 24,029,114	
Accumulated depreciation is	<u>(12,964,307)</u>	11,064,807
Bond deferred charges, discounts and premiums are expenditures at the modified accrual fund level, but are capitalized and written off over the life of bonds payable at the district-wide full accrual level.		
Bond Discount (Premium)		(2,054,671)
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Bonds Payable		(16,340,000)
Compensated Absences		(184,554)
Net Pension Liability		(17,744,429)
Net Other Postemployment Benefit Liability		(951,588)
Deferred outflows and (inflows) of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources - related to pensions		5,361,936
Deferred inflows of resources - related to pensions		(2,234,996)
Deferred outflows of resources - related to other postemployment benefits		1,282,458
Deferred inflows of resources - related to other postemployment benefits		(2,286,804)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid.		<u>(282,546)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES - (Deficit)		<u><u>\$ (1,867,808)</u></u>

The accompanying notes are an integral part of these financial statements.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	GENERAL FUND	2023 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Local Sources	\$ 4,058,642	\$ 306,482	\$ 1,744,594	\$ 6,109,718
State Sources	6,825,244	0	192,096	7,017,340
Federal Sources	1,150,027	0	924,018	2,074,045
Other Transactions	482,362	0	0	482,362
Total Revenues	<u>12,516,275</u>	<u>306,482</u>	<u>2,860,708</u>	<u>15,683,465</u>
<u>EXPENDITURES</u>				
Instruction				
Basic Programs	5,115,544	0	0	5,115,544
Added Needs	1,381,245	0	0	1,381,245
Supporting Services				
Pupil	723,057	0	0	723,057
Instructional Staff	350,141	0	0	350,141
General Administration	397,080	0	0	397,080
School Administration	804,979	0	0	804,979
Business	299,660	1,221	0	300,881
Operation and Maintenance	1,680,899	0	37,726	1,718,625
Pupil Transportation Services	763,539	239,152	0	1,002,691
Central Support Services	296,160	91,643	0	387,803
Other Support Services	242,600	0	118,382	360,982
Food Service Activities	0	0	1,019,585	1,019,585
Custody and Care of Children	0	0	354,924	354,924
Community Services	4,422	0	0	4,422
Facilities Acquisition, Construction, and Improvements	0	1,123,447	0	1,123,447
Prior Period Adjustments	5,446	0	0	5,446
Debt Service				
Principal	0	0	1,060,000	1,060,000
Interest	0	0	29,074	29,074
Bond Issuance Costs	0	145,694	0	145,694
Other Transactions	19,096	0	171	19,267
Total Expenditures	<u>12,083,868</u>	<u>1,601,157</u>	<u>2,619,862</u>	<u>16,304,887</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>432,407</u>	<u>(1,294,675)</u>	<u>240,846</u>	<u>(621,422)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from the Sale of Capital Assets	45,000	0	6,000	51,000
Premium on Bonds Issued	0	2,144,005	0	2,144,005
Face Value of Debt	0	16,340,000	0	16,340,000
Transfers In	0	0	172,012	172,012
Transfers (Out)	0	0	(172,012)	(172,012)
Total Other Financing Sources (Uses)	<u>45,000</u>	<u>18,484,005</u>	<u>6,000</u>	<u>18,535,005</u>
Net Change in Fund Balance	477,407	17,189,330	246,846	17,913,583
<u>FUND BALANCE</u> - Beginning of Year	<u>3,248,651</u>	<u>0</u>	<u>1,340,345</u>	<u>4,588,996</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 3,726,058</u>	<u>\$17,189,330</u>	<u>\$ 1,587,191</u>	<u>\$ 22,502,579</u>

The accompanying notes are an integral part of these financial statements.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances-Total Governmental Funds \$ 17,913,583

Amounts reported for governmental activities are different because:

Governmental funds report capital outlays as expenditures. In the Statement of Activities, allocated over their estimated useful lives as depreciation.

Depreciation Expense	(630,725)
Capital Outlay	1,645,857

Accrued interest on bonds is recorded in the Statement of Activities when incurred; it is not recorded in governmental funds until it is paid:

Accrued Interest Payable - End of Year	(282,546)
Accrued Interest Payable - Beginning of Year	4,495

Costs related to issuance of long-term debt and losses on early defeasance of long-term debt are a current expense in governmental funds, but are capitalized and amortized in the Statement of Activities.

Amortization of Deferred Charges	91,112
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt is an expenditure in the governmental funds, but not in the Statement of Activities (where it is a reduction of liabilities).

Issuance of Debt	(16,340,000)
Bond Premium	(2,144,005)
Repayment of Debt	1,060,000

Employees Early Retirement and Compensated Absences are reported on the accrual method in the Statement of Activities, and recorded as an expenditure when financial resources are used in the governmental funds.

Early Retirement and Compensated Absences - Beginning of Year	175,557
Early Retirement and Compensated Absences - End of Year	(184,554)

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

Change in Pension Related Items	782,484
Change in Other Postemployment Benefit Items	201,177

Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to Section 147c pension contributions subsequent to the measurement date.

Change in State Aid Funding for Pension	(451,464)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,840,971
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The accompanying notes are an integral part of these financial statements.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The School District (“the District”) is located in Antrim and Kalkaska Counties with its administrative offices located in Mancelona, Michigan. The District operates under an elected 7-member board of education which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

B. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report the information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The District does not have any business-type activities or component units.

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government’s funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The District reports the following major governmental funds:

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

The *2023 Capital Projects Fund* account for the acquisition of capital assets or construction of major capital projects.

Other non-major funds:

The *Special Revenue (School Service) Funds* accounts for revenue sources that are legally restricted to expenditures for specific purposes. The District accounts for its food service, latchkey, and student/school activities in the special revenue funds.

The *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds. The 2015 Debt Retirement Fund, the 2017 Bus & Technology Debt Retirement Fund, and the 2023 Debt Retirement Fund are nonmajor funds.

The *Capital Projects Funds* account for the acquisition of capital assets or construction of major capital projects. The Sinking Capital Projects Fund and Stadium Capital Projects Fund are nonmajor funds.

During the course of operations the government 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 are eliminated so that only the net amount is included as internal balances in the governmental activities column.

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

E. Measurement Focus and Basis of Accounting

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

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

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term obligations and acquisitions under capital leases are reported as other financing sources.

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

F. Budgetary Information

1. Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds.

The District's approved budgets were adopted at the function level for the General and Special Revenue Funds. These are the legal enacted levels under the State Uniform Budgeting and Accounting Act and the level of budgetary control adopted by the Board (the level at which expenditures may not legally exceed appropriations).

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

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

- a) The superintendent submits to the school board a proposed operating budget for the fiscal year commencing on July 1.
- b) A public hearing is conducted to obtain taxpayer comments.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

- c) Prior to July 1, the budget is legally adopted by the School Board resolution pursuant to the Uniform Budgeting and Accounting Act. The Act requires that the budget be amended prior to the end of the fiscal year, when necessary, to adjust appropriations if it appears that revenues and other financial sources will be less than anticipated, or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated.
- d) The superintendent is charged with general supervision of the budgets and shall hold the department heads responsible for performance of their responsibilities.
- e) For purposes of meeting emergency needs of the District, transfer of appropriations may be made by the authorization of the superintendent. Such transfers of appropriations must be approved by the Board of Education at its next regularly scheduled meeting.
- f) During the year the budgets are monitored and amendments to the budget resolution are made when it is deemed necessary.
- g) Budgeted amounts are as originally adopted on June 22, 2022, or as amended by the School Board of Education throughout the year.

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

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. The District considers all highly liquid investments (including certificates of deposit) to be cash equivalents.

2. Investments

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

- a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c) Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d) The United States government or federal agency obligations repurchase agreements.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

- e) Bankers acceptances of United States banks.
- f) Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

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

3. *Inventory and Prepaid Items*

Inventories are valued at cost using the first-in/first-out method. Inventory consists of supplies held for consumption. Inventories are recorded as expenditures when consumed rather than when purchased.

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

4. *Capital Assets*

Capital assets, which include property and equipment, are reported in the governmental activities column in the District-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Land and construction in progress, if any, are not depreciated. Right to use assets of the District, if any, are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings, Additions and Land Improvements	20-50
Furniture and Other Equipment	5-15

5. *Unearned Revenue*

Unearned revenue arises when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenues is recognized. The District has unearned revenue in the General Fund that is related to state and local grants/donations, with restrictions on how they can be spent, being received but as of the year-end have not been spent.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. *Long-Term Obligations*

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method over the term of the related obligation.

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

7. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. They are the deferred charge on refunding, pension and other postemployment benefits related items reported in the government-wide *Statement of Net Position*. A deferred charge on refunding results from the difference in the carrying value of refunded obligation and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding obligation. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expenses in the plan year in which they apply. Details can be found in footnote 2.E and 2.F.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. They are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. Details can be found in footnote 2.E and 2.F.

8. *Defined Benefit Plans*

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

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

9. *Net Position Flow Assumption*

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

10. *Fund Balance Flow Assumption*

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

11. *Fund Balance Policies*

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

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

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

12. *Use of Estimates*

The process of preparing basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain

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types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

13. Restricted Assets

Certain cash and investment resources are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants, and they are maintained in separate bank accounts.

H. Revenues and Expenditures/Expenses

1. State Revenue

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the year ended June 30, 2023 the foundation allowance was based on pupil membership counts taken in October 2022 and February 2023. For fiscal year ended June 30, 2023, the per pupil foundation allowance was \$9,150 for Mancelona Public Schools.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes, which may be levied at a rate of up to 18 mills. The State revenue is recognized during the foundation period and is funded through payments from October 2022 to August 2023. Thus, the unpaid portion at June 30th is reported as due from other governmental units.

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

2. Program Revenues

Amounts reported as program revenue include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, state foundation aid, certain revenue from the intermediate school district and other unrestricted items are not included as program revenue but instead as *general revenues*.

3. Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. Property taxes are assessed as of January 1, and due July 1. Unpaid taxes become delinquent as of September 14 and are subject to penalties and interest after that date.

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

Fund	Mills
General Fund - Non Principal Residence Exemption	17.7360
General Fund - Commercial Personal Property	5.7360
Debt Service Funds - PRE, Non-PRE, Commercial Personal Property	2.9500
Sinking Fund - PRE, Non-PRE, Commercial Personal Property	0.3883

4. *Compensated Absences*

It is the District’s policy to permit employees to accumulate earned but unused sick pay benefits. The amount allowable to be compensated for depends on the position and the longevity of the individual employee. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. As of June 30, 2023, the District’s bank balance was \$2,615,774 and \$1,940,610 of that amount was exposed to custodial credit risk because it was uninsured and uncollateralized. The risk is spread amongst the District’s funds. Although the District’s investment policy does not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments or by controlling who holds the deposits. The carrying value on the books for deposits at the end of the fiscal year was \$2,201,015 and petty cash of \$1,000.

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

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

	<u>Primary</u> <u>Government</u>
Cash	\$ 2,053,354
Investments	2,824,375
Restricted Cash	148,661
Restricted Investments	17,205,774
	<u>\$ 22,232,164</u>

Interest rate risk. In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds

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primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

	Fair Value	Weighted Average Maturity (Years)
MILAF External Investment Pool - Max	\$ 20,030,149	0.0027
Portfolio Weighted Average Maturity		0.0027

1 Day Maturity Equals 0.0027, One Year Equals 1.000

Credit risk. State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSOs).

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

	Fair Value	Standard & Poor's Rating
MILAF External Investment Pool - Max	\$ 20,030,149	AAAm

Foreign currency risk. The District is not authorized to invest in investments which have this type of risk; therefore, it is not addressed in the investment policy.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

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

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices from similar activities, interest rates, prepayment speeds, credit risk, and others.

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Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant unobservable inputs may be used. Unobservable inputs reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available.

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

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

	Amortized Cost
MILAF External Investment Pool - Max	\$ 20,030,149

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor are as follows:

	General	Nonmajor and Other Funds	Total
Receivables			
Accounts	\$ 1,287	\$ 55,603	\$ 56,890
Due from Other Governmental Units	1,546,819	49,573	1,596,392
Total Receivables	\$ 1,548,106	\$ 105,176	\$ 1,653,282

Amounts due from other governments include amounts due from federal, state, and local sources for various projects and programs.

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

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received, but not year earned. At the end of the current fiscal year, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

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	<u>Unavailable</u>	<u>Unearned</u>
Grant Receipts Received, But Not Yet Utilized	\$ 0	\$ 205,282

C. Capital Assets

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

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets not Being Depreciated:				
Land	\$ 118,713	\$ 0	\$ 0	\$ 118,713
Construction in Progress	0	1,123,447	0	1,123,447
Total Capital Assets not Being Depreciated	118,713	1,123,447	0	1,242,160
Capital Assets Being Depreciated				
Land Improvements	907,407	0	8,000	899,407
Buildings and Additions	19,151,121	155,900	0	19,307,021
Machinery and Equipment	1,176,704	79,513	46,521	1,209,696
Transportation Equipment	1,182,303	286,997	98,470	1,370,830
Subtotal	22,417,535	522,410	152,991	22,786,954
Less Accumulated Depreciation For:				
Land Improvements	(647,894)	(27,612)	8,000	(667,506)
Buildings and Additions	(10,280,998)	(419,622)	0	(10,700,620)
Machinery and Equipment	(839,604)	(58,439)	46,521	(851,522)
Transportation Equipment	(718,077)	(125,052)	98,470	(744,659)
Total Accumulated Depreciation	(12,486,573)	(630,725)	152,991	(12,964,307)
Total Capital Assets Being Depreciated, Net	9,930,962	(108,315)	0	9,822,647
Capital Assets, Net	\$ 10,049,675	\$ 1,015,132	\$ 0	\$ 11,064,807

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities	
Unallocated	\$ 630,725

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D. Retirement and Post-Employment Benefits

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

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

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

Benefits Provided- Overall

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

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

Benefits Provided – Pension

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

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

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Pension Reform 2010

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

Pension Reform 2012

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

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

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

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

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

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

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

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

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

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

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

Pension Reform of 2017

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

Benefits Provided – Other postemployment benefit (OPEB)

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree health care recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members), the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members), have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the

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maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

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

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

Member Contributions

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

Employer Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The normal cost is the annual cost assigned under the actuarial funding method, to

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the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

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

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

	Pension	Other Postemployment Benefit
October 1, 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%

The District's pension contributions for the year ended June 30, 2023 were equal to the required contribution total. Total pension contributions were approximately \$2,190,000. Of the total pension contributions approximately \$2,145,000 was contributed to fund the Defined Benefit Plan and approximately \$45,000 was contributed to fund the Defined Contribution Fund.

The District's OPEB contributions for the year ended June 30, 2023 were equal to the required contribution total. Total OPEB benefits were approximately \$391,000. Of the total OPEB contributions approximately \$360,000 was contributed to fund the Defined Benefit Plan and approximately \$31,000 was contributed to fund the Defined Contributions Fund.

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

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

Pension Liabilities

At June 30, 2023, the District reported a liability of \$17,744,429 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 date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2022 and 2021, the District's proportion was 0.04718169% and 0.05011048%.

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MPSERS (Plan) Non-University Employers Net Pension Liability

	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Total Pension Liability	\$ 95,876,795,620	\$ 86,392,473,395
Fiduciary Net Position	(58,268,076,344)	(62,717,060,920)
Net Pension Liability	<u>\$ 37,608,719,276</u>	<u>\$ 23,675,412,475</u>
Fiduciary Net Position as a Percentage of Total Pension liability	60.77%	72.60%
Net Pension Liability as a Percentage of Covered Payroll	386.25%	261.68%

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

For the year ended June 30, 2023, the District recognized total pension expense of \$1,930,094.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 177,506	\$ 39,675
Section 147c revenue related to District Pension contributions subsequent to the measurement date	0	1,222,565
Changes of assumptions	3,049,129	0
Net difference between projected and actual earnings on pension plan investments	41,611	0
Changes in proportion and differences between District contributions and proportionate share of contributions	34,464	972,756
District contributions subsequent to the measurement date	2,059,226	0
Total	<u>\$ 5,361,936</u>	<u>\$ 2,234,996</u>

\$2,059,226 reported as deferred outflows of resources and \$1,222,565 reported as deferred inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a net reduction of the net pension liability in the subsequent fiscal year.

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

<u>Year Ended September 30,</u>	<u>Amount</u>
2023	\$ 638,824
2024	369,308
2025	340,365
2026	941,782
	\$ 2,290,279

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

OPEB Liabilities

At June 30, 2023, the District reported a liability of \$951,588 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2022 and 2021, the District's proportion was 0.04492730% and 0.04894509%

MPSERS (Plan) Non-University Employers Net OPEB Liability

	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Total OPEB Liability	\$ 12,522,713,324	\$ 12,046,393,511
Fiduciary Net Position	(10,404,650,683)	(10,520,015,621)
Net OPEB Liability	\$ 2,118,062,641	\$ 1,526,377,890
Fiduciary Net Position as a Percentage of Total OPEB Liability	83.09%	87.33%
Net OPEB Liability as a Percentage of Covered Payroll	21.75%	16.87%

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

For the year ended June 30, 2023, the District recognized total OPEB benefit of \$(412,410).

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

At June 30, 2023 the 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
Differences between expected and actual experience	\$ 0	\$ 1,863,797
Changes of assumptions	848,181	69,064
Net difference between projected and actual earnings on OPEB plan investments	74,374	0
Changes in proportion and differences between District contributions and proportionate share of contributions	33,566	353,943
District contributions subsequent to the measurement date	326,337	0
Total	\$ 1,282,458	\$ 2,286,804

\$326,337 reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

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

Year Ended September 30,	Amount
2023	\$ (412,352)
2024	(392,025)
2025	(365,219)
2026	(92,700)
2027	(59,906)
Thereafter	(8,481)
	\$ (1,330,683)

G. Actuarial Assumptions

Investment rate of return for Pension – 6.00% a year, compounded annually net of investment and administrative expenses for the MIP, Basic, and Pension Plus groups.

MANCELONA PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Investment rate of return for OPEB – 6.00% a year, compounded annually net of investment and administrative expenses.

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

Inflation – 3.0%

Mortality assumptions –

Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

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

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

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

The long-term expected rate of return on pension and other postemployment benefit plan investments - The pension rate was 6.00% (MIP, Basic, Pension Plus Plan, and Pension Plus 2 Plan) and the other postemployment benefit rate was 6.00%, net of investment and administrative expenses was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Healthcare cost trend rate for other postemployment benefit – Pre 65, 7.75% for year one and graded to 3.5% in year fifteen. Post 65, 5.25% for year one and graded to 3.5% in year fifteen.

Additional assumptions for other postemployment benefit only – Applies to individuals hired before September 4, 2012:

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

Survivor Coverage – 80% of male retirees and 67% of female retirees are assumed to have coverage continuing after the retiree's death.

MANCELONA PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Coverage Election at Retirement – 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

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

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic Equity Pools	25.00%	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 & Infrastructure Pools	10.00%	5.30%
Absolute Return Pools	9.00%	2.70%
Real Return/Oppportunistic Pools	10.00%	5.80%
Short-Term Investment Pools	2.00%	-0.50%
	<u>100%</u>	

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

Rate of return

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

Pension Discount Rate

A single discount rate of 6.00% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 6.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from school districts will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MANCELONA PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

OPEB Discount Rate

A single discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that school districts contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the District's proportionate share of the net pension liability calculated using a single discount rate of 6.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Pension				
	1% Decrease	Discount Rate	1% Increase	
\$	23,416,055	\$	17,744,429	\$ 13,070,755

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

The following presents the District's proportionate share of the net OPEB liability calculated using a single discount rate of 6.00%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

OPEB				
	1% Decrease	Discount Rate	1% Increase	
\$	1,596,198	\$	951,588	\$ 408,747

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the District's proportionate share of the net other postemployment benefit liability calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

OPEB			
Current Healthcare Cost			
1% Decrease	Trend Rates		1% Increase
\$ 398,480	\$	951,588	\$ 1,572,464

H. Pension and OPEB Plan Fiduciary Net Position

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

I. Payables to the Pension and OPEB Plan

As of June 30, 2023, the District is current on all required pension and other postemployment benefit plan payments. As of June 30, 2023, the District reported payables in the amount of \$362,133 to the pension and OPEB plan. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due funded from state revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

J. Risk Management

The District is exposed to various risks of loss related to property loss, torts, errors and omissions; injuries to employees' (workers compensation) as well as medical benefits provided to employees.

The District participates in a distinct pool of educational institutions within the State of Michigan for various risks of loss, including general liability, property and casualty, employee health and accident insurance, and workers’ disability compensation. The pool is considered a public entity risk pool. The District pays annual premiums to each pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The District has not been informed of any special assessment to make up the deficiency.

K. Long-Term Obligations

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

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The following is a summary of the governmental long-term obligation transactions for the District for the year ended June 30, 2023:

	Compensated Absences	General Obligation Bonds	Net OPEB Liability	Net Pension Liability	Total
<u>Balance:</u> July 1, 2022	\$ 175,557	\$ 1,060,000	\$ 747,087	\$ 11,863,863	\$ 13,846,507
Additions	19,737	16,340,000	546,727	7,486,436	24,392,900
Deletions	(10,740)	(1,060,000)	(342,226)	(1,605,870)	(3,018,836)
<u>Balance:</u> June 30, 2023	184,554	16,340,000	951,588	17,744,429	35,220,571
Less current portion	0	(240,000)	0	0	(240,000)
Total due after one year	<u>\$ 184,554</u>	<u>\$16,100,000</u>	<u>\$ 951,588</u>	<u>\$ 17,744,429</u>	<u>\$ 34,980,571</u>

The District's liability obligations at June 30, 2023, are comprised of the following issues:

General Obligation Bonds

2023 School Building and Site Bonds due in annual installments of \$240,000 to \$1,020,000 through May 1, 2026, interest at 5.00%	\$ 16,340,000
Compensated Absences	184,554
Net Other Postemployment Benefit Liability	951,588
Net Pension Liability	<u>17,744,429</u>
Total long-term obligations	<u>\$ 35,220,571</u>

MANCELONA PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The annual requirements to amortize all long-term obligations as of June 30, 2023, including interest of \$11,851,092 are as follows:

Year ending June 30,	<u>Bonds</u>		Amounts Payable
	Principal	Interest	
2024	\$ 240,000	\$ 973,592	\$ 1,213,592
2025	450,000	805,000	1,255,000
2026	480,000	782,500	1,262,500
2027	345,000	758,500	1,103,500
2028	400,000	741,250	1,141,250
2029-2033	2,505,000	3,386,000	5,891,000
2034-2038	4,005,000	2,597,500	6,602,500
2039-2043	4,875,000	1,501,750	6,376,750
2044-2046	3,040,000	305,000	3,345,000
	<u>\$ 16,340,000</u>	<u>\$ 11,851,092</u>	28,191,092
Compensated Absences			184,554
Net Other Postemployment Benefit Liability			951,588
Net Pension Liability			17,744,429
			<u>\$ 47,071,663</u>

Interest expense for the year ended June 30, 2023 was approximately \$216,013.

The annual requirements to amortize the compensated absences and net pension and OPEB liabilities are uncertain because it is unknown when the repayments will be made.

Compensated absences, net pension liability, and OPEB liability will be paid by the fund in which the employee worked, including the general fund and other governmental funds.

L. Interfund Transfers

Individual fund transfers at June 30, 2023, were:

<u>Fund Transferred To</u>	<u>Funds Transferred From</u>	Amount
2023 Debt Retirement Fund	2015 Debt Retirement Fund	\$ 123,455
2023 Debt Retirement Fund	2017 Bus & Technology Debt Retirement Fund	48,557
		<u>\$ 172,012</u>

Transfers are used to (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

MANCELONA PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

M. GASB Statement No. 87 – Leases

It has been determined that the District has leases as defined by GASB Statement No. 87. However, the total of these leases has been determined they are not significant enough to warrant disclosure.

N. GASB Statement No. 96 – Subscription-based Information Technology Arrangements

It has been determined that the District has subscription-based information technology arrangements as defined by GASB Statement No. 96. However, the total of these subscription-based information technology arrangements has been determined they are not significant enough to warrant disclosure.

O. Sinking Fund Tax Levy

On February 28, 2012, the taxpayers approved a reauthorization of a sinking fund tax levy. The District is authorized to levy .4000 mills for 5 years beginning with the 2012 tax roll. The millage was renewed March 8, 2016 for a period of seven years beginning with the 2016 tax roll. The Sinking Fund will be used for the repairs of school buildings. The transactions for the Sinking Fund are accounted for in a capital projects fund. For this fund, the District has complied with the applicable provisions of §1212(1) of the Revised School Code and the applicable section of the Revised Bulletin for School District Audits of Bonded Construction Funds and of Sinking Funds in Michigan.

P. Related Party Transactions

The District purchased petroleum products from a business owned by a board member's family totaling \$66,718 for the year. The District solicited competitive bids in 2017 and this vendor was the low bidder.

Q. Other Information

1. *Commitments and Contingencies*

Under the terms of various federal and state grants and regulatory requirements, periodic audits are required, and certain cost may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement of the grantor or regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the District.

2. *Capital Projects Fund*

The 2023 Capital Projects Fund includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of §1351a of the Revised School Code.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

3. *Single Audit*

Current federal guidelines require entities with federal expenditures exceeding \$750,000 to have a “single audit” of federally funded programs. This audit is being performed and the reports based thereon will be issued under a separate cover.

R. GASB Statement No. 77 – Tax Abatement Disclosures

It has been determined that the District has granted tax abatements as defined by GASB Statement No. 77. However, the total of these abatements is less than \$1,000, and it has been determined they are not significant enough to warrant disclosure.

S. Upcoming Accounting Pronouncements

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

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

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>REVENUES</u>			
Local Sources	\$ 3,842,880	\$ 4,044,199	\$ 4,058,642
State Sources	5,515,438	7,141,278	6,825,244
Federal Sources	1,318,190	2,214,232	1,150,027
Other Transactions	379,467	481,121	482,362
	<hr/>		
Total Revenues	11,055,975	13,880,830	12,516,275
<u>EXPENDITURES</u>			
Instruction			
Basic Programs	5,055,914	5,453,608	5,115,544
Added Needs	1,341,038	1,625,035	1,381,245
Supporting Services			
Pupil	717,066	1,039,599	723,057
Instructional Staff	312,580	479,380	350,141
General Administration	446,495	403,498	397,080
School Administration	761,789	819,719	804,979
Business	274,158	301,270	299,660
Operation and Maintenance	1,386,590	2,132,449	1,680,899
Pupil Transportation Services	654,440	800,006	763,539
Central Support Services	165,622	325,661	296,160
Other Support Services	212,283	264,077	242,600
Community Services	20,000	4,927	4,422
Prior Period Adjustments	50,000	12,000	5,446
Debt Service	0	30,000	0
Other Transactions	32,000	21,000	19,096
	<hr/>		
Total Expenditures	11,429,975	13,712,229	12,083,868
Excess (Deficiency) of Revenues Over Expenditures	(374,000)	168,601	432,407
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from the Sale of Capital Assets	0	45,000	45,000
	<hr/>		
Net Change in Fund Balance	(374,000)	213,601	477,407
<u>FUND BALANCE</u> - Beginning of Year	3,107,653	3,248,651	3,248,651
	<hr/>		
<u>FUND BALANCE</u> - End of Year	\$ 2,733,653	\$ 3,462,252	\$ 3,726,058
	<hr/>		

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH FISCAL YEAR)
JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of net pension liability (%)		0.047182%	0.050110%	0.051830%	0.051967%	0.050788%	0.049856%	0.050365%	0.049028%	0.049610%
District's proportionate share of net pension liability		\$ 17,744,429	\$ 11,863,863	\$ 17,804,134	\$ 17,209,621	\$ 15,267,793	\$ 12,919,687	\$ 12,565,566	\$ 11,975,019	\$ 10,928,416
District's covered payroll		4,392,330	4,417,910	4,549,222	4,540,029	4,402,746	4,142,373	4,283,595	4,088,410	4,213,141
District's proportionate share of net pension liability as a percentage of its covered payroll		403.99%	268.54%	391.37%	379.06%	346.78%	311.89%	293.34%	292.90%	259.39%
Plan fiduciary net position as a percentage of total pension liability		60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS

MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)
JUNE 30, 2023

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions		\$ 2,145,240	\$ 1,642,035	\$ 1,517,506	\$ 1,423,737	\$ 1,379,115	\$ 1,287,336	\$ 1,165,394	\$ 1,136,354	\$ 946,772
Contributions in relation to statutorily required contributions *		2,145,240	1,642,035	1,517,506	1,423,737	1,379,115	1,287,336	1,165,394	1,136,354	946,772
Contribution deficiency (excess)		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll		\$ 4,847,304	\$ 4,511,197	\$ 4,433,938	\$ 4,544,756	\$ 4,524,305	\$ 4,360,947	\$ 4,134,275	\$ 4,115,163	\$ 4,157,503
Contributions as a percentage of covered payroll		44.26%	36.40%	34.22%	31.33%	30.48%	29.52%	28.19%	27.61%	22.77%

* Contributions in relation to statutorily contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH PLAN YEAR)
JUNE 30, 2023

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of net OPEB liability (%)					0.04492730%	0.04894509%	0.05137416%	0.05201864%	0.05169762%	0.04975682%
District's proportionate share of net OPEB liability					\$ 951,588	\$ 747,087	\$ 2,752,251	\$ 3,733,767	\$ 4,109,419	\$ 4,406,201
District's covered payroll					4,392,330	4,417,910	4,549,222	4,540,029	4,402,746	4,142,373
District's proportionate share of net OPEB liability as a percentage of its covered payroll					21.66%	16.91%	60.50%	82.24%	93.34%	106.37%
Plan fiduciary net position as a percentage of total OPEB liability					83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFIT CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)
JUNE 30, 2023

	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions					\$ 359,991	\$ 345,856	\$ 352,047	\$ 352,457	\$ 345,140	\$ 312,961
Contributions in relation to statutorily required contributions *					359,991	345,856	352,047	352,457	345,140	312,961
Contribution deficiency (excess)					\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll					\$ 4,847,304	\$ 4,511,197	\$ 4,433,938	\$ 4,544,756	\$ 4,524,305	\$ 4,360,947
Contributions as a percentage of covered payroll					7.43%	7.67%	7.94%	7.76%	7.63%	7.18%

* Contributions in relation to statutorily contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR YEAR ENDED JUNE 30, 2023

Pension Information

Changes of Benefit Terms - There were no changes of benefit terms for the plan year ended September 30, 2022.

Changes of Assumptions – The assumption changes for the plan year ended September 30, 2022 were:

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

OPEB Information

Changes of Benefit Terms - There were no changes of benefit terms for the plan year ended September 30, 2022.

Changes of Assumptions – The assumption changes for the plan year ended September 30, 2022 were:

Discount rate decreased to 6.00% from 6.95%.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES

JUNE 30, 2023

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	FOOD SERVICE	SCHOOL LATCHKEY	SCHOOL ACTIVITIES	2015 DEBT RETIREMENT	2017 BUS & TECHNOLOGY		2023 DEBT RETIREMENT	SINKING		STADIUM
					DEBT RETIREMENT	DEBT RETIREMENT				
<u>ASSETS</u>										
Cash	\$ 182,949	\$ 656,343	\$ 211,288	\$ 0	\$ 0	\$ 172,012	\$ 288,000	\$ 13,175	\$ 1,523,767	
Accounts Receivable	50,125	5,478	0	0	0	0	0	0	55,603	
Due from Other Governmental Units	37,968	11,605	0	0	0	0	0	0	49,573	
Inventory	9,733	0	0	0	0	0	0	0	9,733	
Prepaid Expenditures	0	137	0	0	0	0	0	0	137	
TOTAL ASSETS	\$ 280,775	\$ 673,563	\$ 211,288	\$ 0	\$ 0	\$ 172,012	\$ 288,000	\$ 13,175	\$ 1,638,813	
<u>LIABILITIES AND FUND BALANCES</u>										
<u>LIABILITIES</u>										
Accounts Payable	\$ 46,357	\$ 5,265	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 51,622	
<u>FUND BALANCE</u>										
Nonspendable, Inventory	9,733	0	0	0	0	0	0	0	9,733	
Nonspendable, Prepaid Expenditures	0	137	0	0	0	0	0	0	137	
Restricted for Debt Retirement	0	0	0	0	0	172,012	0	0	172,012	
Restricted for Capital Projects	0	0	0	0	0	0	288,000	13,175	301,175	
Restricted for Food Service	224,685	0	0	0	0	0	0	0	224,685	
Assigned for Custody and Care of Children	0	668,161	0	0	0	0	0	0	668,161	
Assigned for Student Activities	0	0	211,288	0	0	0	0	0	211,288	
Total Fund Balances	234,418	668,298	211,288	0	0	172,012	288,000	13,175	1,587,191	
TOTAL LIABILITIES AND FUND BALANCES	\$ 280,775	\$ 673,563	\$ 211,288	\$ 0	\$ 0	\$ 172,012	\$ 288,000	\$ 13,175	\$ 1,638,813	

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	FOOD SERVICE	LATCHKEY	SCHOOL ACTIVITIES	2015 DEBT RETIREMENT	2017 BUS & TECHNOLOGY DEBT		SINKING	STADIUM	
					2023 DEBT RETIREMENT				
<u>REVENUES</u>									
Local Sources	\$ 59,094	\$ 213,399	\$ 157,824	\$ 815,939	\$ 346,442	\$ 0	\$ 151,004	\$ 892	\$ 1,744,594
State Sources	53,132	131,612	0	4,559	1,938	0	855	0	192,096
Federal Sources	834,933	89,085	0	0	0	0	0	0	924,018
Total Revenues	947,159	434,096	157,824	820,498	348,380	0	151,859	892	2,860,708
<u>EXPENDITURES</u>									
Supporting Services									
Operation and Maintenance	0	0	0	0	0	0	37,726	0	37,726
Other Support Services	0	0	118,382	0	0	0	0	0	118,382
Food Service Activities	1,019,585	0	0	0	0	0	0	0	1,019,585
Custody and Care of Children	0	354,924	0	0	0	0	0	0	354,924
Debt Service									
Redemption of Principal	0	0	0	745,000	315,000	0	0	0	1,060,000
Interest and Fees	0	0	0	19,125	9,949	0	0	0	29,074
Other Transactions	0	0	0	119	34	0	18	0	171
Total Expenditures	1,019,585	354,924	118,382	764,244	324,983	0	37,744	0	2,619,862
Excess of Revenues Over (Under) Expenditures	(72,426)	79,172	39,442	56,254	23,397	0	114,115	892	240,846
<u>OTHER FINANCING SOURCES (USES)</u>									
Proceeds from the Sale of Capital Assets	6,000	0	0	0	0	0	0	0	6,000
Transfers In	0	0	0	0	0	172,012	0	0	172,012
Transfers (Out)	0	0	0	(123,455)	(48,557)	0	0	0	(172,012)
Total Other Financing Sources (Uses)	6,000	0	0	(123,455)	(48,557)	172,012	0	0	6,000
Net Change in Fund Balance	(66,426)	79,172	39,442	(67,201)	(25,160)	172,012	114,115	892	246,846
<u>FUND BALANCE - Beginning of Year</u>	300,844	589,126	171,846	67,201	25,160	0	173,885	12,283	1,340,345
<u>FUND BALANCE - End of Year</u>	\$ 234,418	\$ 668,298	\$ 211,288	\$ 0	\$ 0	\$ 172,012	\$ 288,000	\$ 13,175	\$ 1,587,191

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash	\$ 529,587	\$ 473,036
Accounts Receivable	1,287	1,678
Due from Other Governmental Units	1,546,819	1,260,832
Inventory	41,556	39,161
Prepaid Expenditures	20,213	6,193
Investments	2,824,375	2,469,850
	<hr/>	<hr/>
TOTAL ASSETS	\$ 4,963,837	\$ 4,250,750
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 52,382	\$ 77,907
Due to Other Funds	0	11,067
Accrued Expenditures	473,942	395,274
Salaries Payable	506,173	505,877
Unearned Revenue	205,282	11,974
	<hr/>	<hr/>
Total Liabilities	1,237,779	1,002,099
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Nonspendable:		
Inventory	41,556	39,161
Prepaid Expenditures	20,213	6,193
Committed for:		
Field Trips	3,140	3,140
Assigned to:		
Subsequent Year's Budget Shortfall	270,311	374,000
Unassigned	3,390,838	2,826,157
	<hr/>	<hr/>
Total Fund Balance	3,726,058	3,248,651
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,963,837	\$ 4,250,750
	<hr/> <hr/>	<hr/> <hr/>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	2023		2022
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Local Sources	\$ 4,044,199	\$ 4,058,642	\$ 3,678,893
State Sources	7,141,278	6,825,244	5,752,977
Federal Sources	2,214,232	1,150,027	1,150,598
Other Transactions	481,121	482,362	525,736
Total Revenues	13,880,830	12,516,275	11,108,204
<u>EXPENDITURES</u>			
Instruction			
Basic Programs			
Elementary School	1,504,171	1,397,349	1,227,348
Middle School	1,829,754	1,750,236	1,509,342
High School	1,618,624	1,556,877	1,391,190
Pre School	478,738	391,261	421,780
Summer School	22,321	19,821	33,238
Added Needs			
Special Education	572,435	566,695	594,952
Compensatory Education	1,052,600	814,550	581,638
Supporting Services			
Pupil			
Truancy/Absenteeism Services	45,150	44,821	41,732
Guidance Services	391,645	340,878	312,072
Social Work Services	338,252	159,563	75,660
Other Pupil Services	264,552	177,795	139,313
Instructional Staff			
Improvement of Instruction	308,668	195,051	167,789
Educational Media Services	45,473	45,325	32,377
Supervision/Direction of Instruction	114,304	98,830	66,717
Academic Student Assessment	10,935	10,935	657
General Administration			
Board of Education	75,679	71,545	66,485
Executive Administration	327,819	325,535	291,995
School Administration			
Office of the Principal	817,638	802,898	720,329
Other School Administration	2,081	2,081	2,317
Business			
Fiscal Services	272,535	271,250	237,483
Other Business Services	28,735	28,410	27,394

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	2023		2022
	BUDGET	ACTUAL	ACTUAL
Operation and Maintenance			
Operating Buildings Services	2,032,012	1,591,118	1,392,756
Security Services	100,437	89,781	0
Pupil Transportation Services	800,006	763,539	611,080
Central Support Services			
Communication Services	28,008	22,117	5,870
Staff Services	32,957	31,229	27,322
Technology	264,696	242,814	226,034
Other Support Services			
Pupil Activities	16,604	16,597	10,536
Athletic Activities	247,273	225,807	232,342
Other Support Services	200	196	825
Community Services			
Community Activities	1,277	772	207,351
Custody and Care of Children	3,650	3,650	23,701
Prior Period Adjustments	12,000	5,446	10,350
Debt Service			
Redemption of Principal	30,000	0	0
Other Transactions			
Payments to Other School Districts	21,000	19,096	23,859
Payments to Other Governmental Entities	0	0	1,112
Total Expenditures	<u>13,712,229</u>	<u>12,083,868</u>	<u>10,714,946</u>
Excess of Revenues Over (Under) Expenditures	168,601	432,407	393,258
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from the Sale of Capital Assets	<u>45,000</u>	<u>45,000</u>	<u>23,000</u>
Net Change in Fund Balance	213,601	477,407	416,258
<u>FUND BALANCE</u> - Beginning of Year	<u>3,248,651</u>	<u>3,248,651</u>	<u>2,832,393</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 3,462,252</u>	<u>\$ 3,726,058</u>	<u>\$ 3,248,651</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
ANALYSIS OF REVENUES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	<u>2023</u>		<u>2022</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>LOCAL SOURCES</u>			
Property Taxes			
Operating Millage	\$ 3,738,881	\$ 3,738,881	\$ 3,553,031
Interest on Delinquent Taxes	19,365	19,365	19,091
Other Taxes	3,800	3,800	216
Transportation Fees	0	178	10,826
Earnings on Investments and Deposits	130,000	133,825	8,854
Admissions	32,200	32,200	23,524
Dues and Fees	16,264	17,764	15,810
Other Pupil Activity	2,000	2,014	505
Community Service Activity	6,550	6,550	7,600
Contributions from Private Sources	84,916	93,638	17,091
Miscellaneous	10,223	10,427	22,345
	<hr/>		
Total Local Sources	4,044,199	4,058,642	3,678,893
	<hr/>		
<u>STATE SOURCES</u>			
Grants-In-Aid Unrestricted			
State School Aid			
Foundation Allowance	3,909,799	3,912,997	3,633,388
Grants-In-Aid Restricted			
State School Aid			
CTE Additional Payments	1,090	1,090	2,688
MPSERS Cost Offset	1,395,989	1,396,233	949,929
At Risk	644,407	566,794	503,413
School Readiness	496,363	381,260	366,771
First Robotics	15,248	15,248	9,014
Headlee Data Collection	23,089	23,084	22,457
Special Education	328,980	328,980	192,232
Social Worker	53,158	0	0
Employer Contributions Forfeiture Credit	2,233	2,233	2,902
Mental Health and Support Services	67,045	64,357	59,649
Per Pupil Mental Health Grant	99,956	39,702	0
Per Pupil Student Safety Payments	100,437	89,782	0
Innovative Summer	0	0	4,522
Early Literacy Targeted Instruction	3,484	3,484	6,012
	<hr/>		
Total State Sources	7,141,278	6,825,244	5,752,977
	<hr/>		

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
ANALYSIS OF REVENUES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	2023		2022
	BUDGET	ACTUAL	ACTUAL
<u>FEDERAL SOURCES</u>			
Grants-In-Aid Unrestricted			
Medicaid Fee for Services	2,240	4,399	4,159
Grants-In-Aid Restricted			
Pandemic EBT Local Level Costs	628	628	3,063
Child Care and Development Block Grant	0	0	218,680
Received from Michigan Department of Education			
Governor's Emergency Education Relief Fund	0	0	15,000
Elementary and Secondary School Emergency Relief Fund	1,881,336	814,972	611,766
Title I Part A	268,843	268,843	241,322
Title II Part A - Improving Teacher Quality	41,761	41,761	38,770
Title IV Part A	19,424	19,424	17,838
Total Federal Sources	2,214,232	1,150,027	1,150,598
<u>OTHER TRANSACTIONS</u>			
Transfers from Other School Districts Within the State			
Special Education Millage	73,390	73,390	73,314
Other Transfers	292,007	292,778	451,258
Insurance Reimbursement	91,724	91,724	1,164
Prior Period Adjustment	24,000	24,470	0
Total Other Transactions	481,121	482,362	525,736
TOTAL REVENUES	\$ 13,880,830	\$ 12,516,275	\$ 11,108,204

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

<u>INSTRUCTION</u>	<u>2023</u>		<u>2022</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Basic Programs</u>			
<u>Elementary</u>			
Salaries	\$ 681,829	\$ 680,539	\$ 561,689
Employee Benefits	619,950	613,431	475,249
Purchased Services	150,590	52,407	82,230
Supplies and Materials	51,302	50,723	107,529
Other Expense	500	249	651
Total Elementary	1,504,171	1,397,349	1,227,348
 <u>Middle School</u>			
Salaries	868,322	840,269	780,784
Employee Benefits	756,563	748,043	640,554
Purchased Services	78,538	36,004	46,319
Supplies and Materials	124,696	124,709	40,175
Other Expense	1,635	1,211	1,510
Total Middle School	1,829,754	1,750,236	1,509,342
 <u>High School</u>			
Salaries	688,745	684,626	645,699
Employee Benefits	586,866	580,882	535,902
Purchased Services	249,460	202,482	182,152
Supplies and Materials	89,189	86,710	25,517
Other Expense	4,364	2,177	1,920
Total High School	1,618,624	1,556,877	1,391,190
 <u>Preschool</u>			
Salaries	231,061	184,706	212,199
Employee Benefits	184,341	147,552	183,041
Purchased Services	36,900	31,219	8,992
Supplies and Materials	26,436	24,824	17,548
Other Expense	0	2,960	0
Total Preschool	478,738	391,261	421,780

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	<u>2023</u>		<u>2022</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Summer School</u>			
Purchased Services	22,321	19,821	33,238
<u>Added Needs</u>			
<u>Special Education</u>			
Salaries	320,709	318,995	338,186
Employee Benefits	239,091	236,317	248,797
Purchased Services	4,677	4,211	3,351
Supplies and Materials	7,759	6,973	4,513
Other Expense	199	199	105
Total Special Education	<u>572,435</u>	<u>566,695</u>	<u>594,952</u>
<u>Compensatory Education</u>			
Salaries	565,861	449,482	343,509
Employee Benefits	419,123	321,153	199,610
Purchased Services	5,492	5,392	33,805
Supplies and Materials	41,523	2,771	4,714
Other Expense	20,601	35,752	0
Total Compensatory Education	<u>1,052,600</u>	<u>814,550</u>	<u>581,638</u>
TOTAL INSTRUCTION	<u>7,078,643</u>	<u>6,496,789</u>	<u>5,759,488</u>
 <u>SUPPORTING SERVICES</u>			
<u>Pupil</u>			
<u>Truancy/Absenteeism Services</u>			
Salaries	23,700	23,678	21,980
Employee Benefits	21,450	21,143	19,752
Total Truancy/Absenteeism Services	<u>45,150</u>	<u>44,821</u>	<u>41,732</u>
 <u>Guidance Services</u>			
Salaries	210,626	184,796	172,350
Employee Benefits	179,612	154,675	139,508
Supplies and Materials	122	122	214
Other Expense	1,285	1,285	0
Total Guidance Services	<u>391,645</u>	<u>340,878</u>	<u>312,072</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	<u>2023</u>		<u>2022</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Social Work Services</u>			
Salaries	181,382	90,445	44,496
Employee Benefits	155,606	68,146	31,164
Supplies and Materials	1,264	972	0
Total Social Work Services	<u>338,252</u>	<u>159,563</u>	<u>75,660</u>
<u>Other Pupil Services</u>			
Salaries	85,638	59,878	51,658
Employee Benefits	68,607	44,787	34,332
Purchased Services	110,307	73,130	53,323
Total Other Pupil Services	<u>264,552</u>	<u>177,795</u>	<u>139,313</u>
<u>Instructional Staff</u>			
<u>Improvement of Instruction</u>			
Salaries	160,123	101,070	91,558
Employee Benefits	145,595	92,000	74,824
Purchased Services	2,950	1,981	1,407
Total Improvement of Instruction	<u>308,668</u>	<u>195,051</u>	<u>167,789</u>
<u>Education Media Services</u>			
Salaries	22,190	22,190	14,115
Employee Benefits	17,104	17,018	8,527
Purchased Services	0	0	2,959
Supplies and Materials	6,179	6,117	6,776
Total Education Media Services	<u>45,473</u>	<u>45,325</u>	<u>32,377</u>
<u>Supervision/Direction of Instruction</u>			
Salaries	61,382	54,464	32,192
Employee Benefits	52,922	44,366	26,377
Purchased Services	0	0	8,148
Total Supervision/Direction of Instruction	<u>114,304</u>	<u>98,830</u>	<u>66,717</u>
<u>Academic Student Assessment</u>			
Supplies and Materials	<u>10,935</u>	<u>10,935</u>	<u>657</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	<u>2023</u>		<u>2022</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>General Administration</u>			
<u>Board of Education</u>			
Salaries	1,500	1,500	1,720
Employee Benefits	137	137	146
Purchased Services	69,208	65,074	59,676
Other Expense	4,834	4,834	4,943
Total Board of Education	<u>75,679</u>	<u>71,545</u>	<u>66,485</u>
<u>Executive Administration</u>			
Salaries	174,715	174,685	165,872
Employee Benefits	145,224	144,278	116,370
Purchased Services	6,380	5,752	8,865
Supplies and Materials	1,500	820	888
Total Executive Administration	<u>327,819</u>	<u>325,535</u>	<u>291,995</u>
<u>School Administration</u>			
<u>Office of the Principal</u>			
Salaries	396,965	394,515	391,061
Employee Benefits	375,598	365,964	295,852
Purchased Services	28,575	26,751	28,173
Supplies and Materials	16,500	15,668	4,662
Other Expense	0	0	581
Total Office of the Principal	<u>817,638</u>	<u>802,898</u>	<u>720,329</u>
<u>Other School Administration</u>			
Supplies and Materials	<u>2,081</u>	<u>2,081</u>	<u>2,317</u>
<u>Business</u>			
<u>Fiscal Services</u>			
Salaries	139,658	139,584	131,058
Employee Benefits	126,288	125,679	99,682
Purchased Services	3,289	3,292	3,434
Supplies and Materials	3,000	2,395	2,734
Other Expense	300	300	575
Total Fiscal Services	<u>272,535</u>	<u>271,250</u>	<u>237,483</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	<u>2023</u>		<u>2022</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Other Business Services</u>			
Purchased Services	17,735	17,735	17,975
Other Expense	11,000	10,675	9,419
Total Other Business Services	<u>28,735</u>	<u>28,410</u>	<u>27,394</u>
<u>Operation and Maintenance</u>			
<u>Operating Buildings Services</u>			
Salaries	108,513	107,559	104,336
Employee Benefits	96,314	95,045	77,191
Purchased Services	1,236,306	846,862	684,434
Supplies and Materials	385,230	369,107	435,405
Capital Outlay	195,000	162,943	81,330
Other Expense	10,649	9,602	10,060
Total Operating Building Services	<u>2,032,012</u>	<u>1,591,118</u>	<u>1,392,756</u>
<u>Security Services</u>			
Supplies and Materials	80,165	69,509	0
Capital Outlay	20,272	20,272	0
Total Security Services	<u>100,437</u>	<u>89,781</u>	<u>0</u>
<u>Pupil Transportation Services</u>			
Salaries	221,142	218,642	207,814
Employee Benefits	254,468	250,163	210,180
Purchased Services	155,235	131,049	101,547
Supplies and Materials	113,316	108,467	89,246
Capital Outlay	47,845	47,845	0
Other Expense	8,000	7,373	2,293
Total Pupil Transportation Services	<u>800,006</u>	<u>763,539</u>	<u>611,080</u>
<u>Central Support Services</u>			
<u>Communication Services</u>			
Salaries	15,435	12,348	3,214
Employee Benefits	12,573	9,769	2,656
Total Communication Services	<u>28,008</u>	<u>22,117</u>	<u>5,870</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	<u>2023</u>		<u>2022</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Staff Services</u>			
Salaries	13,399	13,399	13,029
Employee Benefits	9,690	9,690	9,428
Purchased Services	2,168	1,754	1,389
Other Expense	7,700	6,386	3,476
Total Staff Services	<u>32,957</u>	<u>31,229</u>	<u>27,322</u>
<u>Technology</u>			
Salaries	5,920	5,920	5,495
Employee Benefits	6,144	6,061	4,938
Purchased Services	177,157	161,762	108,108
Supplies and Materials	75,475	69,071	107,493
Total Technology	<u>264,696</u>	<u>242,814</u>	<u>226,034</u>
<u>Other Support Services</u>			
<u>Pupil Activities</u>			
Salaries	2,500	2,500	3,000
Employee Benefits	1,356	1,349	1,521
Purchased Services	10,836	10,836	3,865
Supplies and Materials	1,912	1,912	2,150
Total Other Support Services	<u>16,604</u>	<u>16,597</u>	<u>10,536</u>
<u>Athletic Activities</u>			
Salaries	78,564	78,562	75,032
Employee Benefits	38,920	38,896	36,722
Purchased Services	38,778	34,664	36,215
Supplies and Materials	50,000	34,145	61,037
Capital Outlay	16,823	16,823	5,938
Other Expense	24,188	22,717	17,398
Total Athletic Activities	<u>247,273</u>	<u>225,807</u>	<u>232,342</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	<u>2023</u>		<u>2022</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Other Support Services</u>			
Supplies and Materials	200	196	825
Total Other Support Services	<u>200</u>	<u>196</u>	<u>825</u>
TOTAL SUPPORTING SERVICES	<u>6,565,659</u>	<u>5,558,115</u>	<u>4,689,085</u>
<u>COMMUNITY SERVICES</u>			
<u>Community Activities</u>			
Purchased Services	0	0	157,522
Supplies and Materials	1,277	772	49,530
Other Expense	0	0	299
Total Community Activities	<u>1,277</u>	<u>772</u>	<u>207,351</u>
<u>Custody and Care of Children</u>			
Purchased Services	3,650	3,650	23,701
Total Custody and Care of Children	<u>3,650</u>	<u>3,650</u>	<u>23,701</u>
TOTAL COMMUNITY SERVICES	<u>4,927</u>	<u>4,422</u>	<u>231,052</u>
<u>PRIOR PERIOD ADJUSTMENTS</u>			
Other Expense	<u>12,000</u>	<u>5,446</u>	<u>10,350</u>
<u>DEBT SERVICE</u>			
Redemption of Principal	<u>30,000</u>	<u>0</u>	<u>0</u>
<u>PAYMENTS TO OTHER K-12 DISTRICTS</u>			
Other Transactions	<u>21,000</u>	<u>19,096</u>	<u>23,859</u>
<u>PAYMENTS TO OTHER GOVERNMENTAL ENTITIES</u>			
Other Transactions	<u>0</u>	<u>0</u>	<u>1,112</u>
TOTAL EXPENDITURES	<u>\$ 13,712,229</u>	<u>\$ 12,083,868</u>	<u>\$ 10,714,946</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30,

	<u>2023</u>
<u>ASSETS</u>	
Restricted Assets - Cash	\$ 148,661
Restricted Assets - Investments	<u>17,205,774</u>
 TOTAL ASSETS	 <u><u>\$ 17,354,435</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable	\$ 165,105
 <u>FUND BALANCE</u>	
Restricted for Capital Projects	 <u>17,189,330</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 17,354,435</u></u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2023</u>
<u>REVENUES</u>	
Local Sources	
Earnings on Investments and Deposits	<u>\$ 306,482</u>
<u>EXPENDITURES</u>	
Supporting Services	
Support Services Business	
Other Expense	1,221
Pupil Transportation Services	
Capital Outlay	239,152
Central Support Services - Technology	
Supplies and Materials	91,643
Facilities Acquisition, Construction, and Improvements	
Building Improvements Services	
Capital Outlay	1,123,447
Debt Service	
Bond Issuance Costs	<u>145,694</u>
Total Expenditures	<u>1,601,157</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,294,675)</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Premium on Bonds Issued	2,144,005
Face Value of Debt	<u>16,340,000</u>
Total Other Financing Sources (Uses)	<u>18,484,005</u>
Net Change in Fund Balance	17,189,330
<u>FUND BALANCE</u> - Beginning of Year	<u>0</u>
<u>FUND BALANCE</u> - End of Year	<u><u>\$ 17,189,330</u></u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

FOOD SERVICE FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash	\$ 182,949	\$ 228,882
Accounts Receivable	50,125	50,195
Due from Other Governments	37,968	56,055
Inventory	9,733	9,686
	<hr/>	<hr/>
TOTAL ASSETS	\$ 280,775	\$ 344,818
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 46,357	\$ 43,974
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Nonspendable, Inventory	9,733	9,686
Restricted for Food Service	224,685	291,158
	<hr/>	<hr/>
Total Fund Balance	234,418	300,844
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 280,775	\$ 344,818
	<hr/> <hr/>	<hr/> <hr/>

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	<u>2023</u>		<u>2022</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Local Sources			
Earnings on Investments and Deposits	\$ 1,000	\$ 1,027	\$ 871
Food Sales to Adults	10,500	10,566	7,173
Ala-Carte Sales and Milk Sales	8,400	8,218	7,546
Other Income	31,000	39,283	26,213
State Sources			
State Aid	31,985	32,166	57,953
Local Produce in School Meals	18,591	20,966	15,700
Federal Sources			
School Breakfast Program	172,830	173,341	0
School Lunch Program	479,170	480,583	0
Seamless Summer Option	0	0	625,771
School Lunch Program - Supply Chain Assistance	34,091	34,091	20,561
U.S.D.A. Commodities	50,200	50,466	44,557
U.S.D.A. Commodities - Bonus	9,200	9,245	0
Summer Food Service Program for Children	19,885	19,349	16,300
Child and Adult Care Food Program	64,000	62,954	44,115
Local Food for Schools Cooperative	4,904	4,904	0
Total Revenues	<u>935,756</u>	<u>947,159</u>	<u>866,760</u>
<u>EXPENDITURES</u>			
Food Service Activities			
Purchased Services	543,355	532,044	429,565
Supplies and Materials	478,601	481,087	419,575
Capital Outlay	0	0	30,274
Other Expense	7,350	6,454	7,942
Total Expenditures	<u>1,029,306</u>	<u>1,019,585</u>	<u>887,356</u>
Excess of Revenues Over (Under) Expenditures	(93,550)	(72,426)	(20,596)
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from the Sale of Capital Assets	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Net Change in Fund Balance	(87,550)	(66,426)	(20,596)
<u>FUND BALANCE</u> - Beginning of Year	<u>300,844</u>	<u>300,844</u>	<u>321,440</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 213,294</u>	<u>\$ 234,418</u>	<u>\$ 300,844</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

LATCHKEY FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2023	2022
<u>ASSETS</u>		
Cash	\$ 656,343	\$ 566,088
Accounts Receivable	5,478	2,792
Due from Other Funds	0	8,567
Due from Other Governmental Units	11,605	14,866
Prepaid Expenditures	137	589
	\$ 673,563	\$ 592,902
TOTAL ASSETS	\$ 673,563	\$ 592,902
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 5,265	\$ 3,776
 <u>FUND BALANCE</u>		
Nonspendable, Prepaid Expenditures	137	589
Assigned for Custody and Care of Children	668,161	588,537
	668,298	589,126
Total Fund Balance	668,298	589,126
TOTAL LIABILITIES AND FUND BALANCE	\$ 673,563	\$ 592,902

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

LATCHKEY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	<u>2023</u>		<u>2022</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Local Sources			
Earnings on Investments and Deposits	\$ 2,000	\$ 2,256	\$ 775
Charges for Child Care Services			
Private Pay			
Children, Infants and Toddlers	80,000	80,122	100,261
Northwest Michigan Community Action Agency	124,000	130,191	176,736
Miscellaneous	830	830	104
State Sources			
Michigan Family Independence Agency			
Children, Infants and Toddlers	125,000	131,612	120,736
Federal Sources			
Child Development and Care Block Grant	89,085	89,085	239,090
 Total Revenues	 <u>420,915</u>	 <u>434,096</u>	 <u>637,702</u>
<u>EXPENDITURES</u>			
Custody and Care of Children			
Children, Infants and Toddlers			
Salaries	19,050	19,051	30,013
Employee Benefits	11,539	11,527	37,615
Purchased Services	303,105	305,784	298,687
Supplies and Materials	5,000	4,549	1,632
Other Expenditures	17,000	14,013	9,776
 Total Expenditures	 <u>355,694</u>	 <u>354,924</u>	 <u>377,723</u>
 Excess of Revenues Over (Under) Expenditures	 65,221	 79,172	 259,979
 <u>FUND BALANCE</u> - Beginning of Year	 <u>589,126</u>	 <u>589,126</u>	 <u>329,147</u>
 <u>FUND BALANCE</u> - End of Year	 <u>\$ 654,347</u>	 <u>\$ 668,298</u>	 <u>\$ 589,126</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

SCHOOL ACTIVITIES FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash	\$ 211,288	\$ 169,346
Due from Other Funds	0	2,500
	<hr/>	<hr/>
TOTAL ASSETS	\$ 211,288	\$ 171,846
	<hr/> <hr/>	<hr/> <hr/>
<u>FUND BALANCE</u>		
Assigned for Student Activities	\$ 211,288	\$ 171,846
	<hr/> <hr/>	<hr/> <hr/>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

SCHOOL ACTIVITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	2023		2022
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Local Sources			
Other Student Activity Income	\$ 159,000	\$ 157,824	\$ 150,689
<u>EXPENDITURES</u>			
Other Support Services			
Other Student/School Activity Expenditures	125,000	118,382	115,000
Excess of Revenues Over (Under) Expenditures	34,000	39,442	35,689
<u>FUND BALANCE</u> - Beginning of Year	171,846	171,846	136,157
<u>FUND BALANCE</u> - End of Year	\$ 205,846	\$ 211,288	\$ 171,846

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2015 DEBT RETIREMENT FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 67,201
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Debt Retirement	0	67,201
TOTAL LIABILITIES AND FUND BALANCE	\$ 0	\$ 67,201

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2015 DEBT RETIREMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2023	2022
<u>REVENUES</u>		
Local Sources		
Property Taxes	\$ 797,140	\$ 785,216
Interest on Delinquent Taxes	2,957	2,955
Earnings on Investments and Deposits	15,842	1,081
State Sources		
Payments in Lieu of Tax		
Commercial Forest and DNR	4,559	4,456
	820,498	793,708
<u>EXPENDITURES</u>		
Debt Service		
Redemption of Principal	745,000	770,000
Interest and Fees	19,125	36,450
Taxes Abated and Written Off	119	192
	764,244	806,642
Excess of Revenues Over (Under) Expenditures	56,254	(12,934)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfer Out	(123,455)	0
	(67,201)	(12,934)
<u>FUND BALANCE</u> - Beginning of Year	67,201	80,135
<u>FUND BALANCE</u> - End of Year	\$ 0	\$ 67,201

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2017 BUS & TECHNOLOGY DEBT RETIREMENT FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 25,160
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Debt Retirement	0	25,160
TOTAL LIABILITIES AND FUND BALANCE	\$ 0	\$ 25,160

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2017 BUS & TECHNOLOGY DEBT RETIREMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>
<u>REVENUES</u>		
Local Sources		
Property Taxes	\$ 338,850	\$ 272,473
Interest on Delinquent Taxes	1,257	1,020
Earnings on Investments and Deposits	6,335	37
State Sources		
Payments in Lieu of Tax		
Commercial Forest and DNR	1,938	1,546
 Total Revenues	 348,380	 275,076
<u>EXPENDITURES</u>		
Debt Service		
Bond Principal	315,000	265,000
Interest and Fees	9,949	15,075
Taxes Abated and Written Off	34	61
 Total Expenditures	 324,983	 280,136
 Excess of Revenues Over (Under) Expenditures	23,397	(5,060)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)	(48,557)	7
 Net Change in Fund Balance	 (25,160)	 (5,053)
 <u>FUND BALANCE</u> - Beginning of Year	 25,160	 30,213
 <u>FUND BALANCE</u> - End of Year	 \$ 0	 \$ 25,160

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 DEBT RETIREMENT FUND
BALANCE SHEET

JUNE 30,

	<u>2023</u>
<u>ASSETS</u>	
Cash	<u>\$ 172,012</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	\$ 0
<u>FUND BALANCE</u>	
Restricted for Debt Retirement	<u>172,012</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 172,012</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 DEBT RETIREMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2023</u>
<u>REVENUES</u>	<u>\$ 0</u>
<u>EXPENDITURES</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers In	<u>172,012</u>
Net Change in Fund Balance	172,012
<u>FUND BALANCE</u> - Beginning of Year	<u>0</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 172,012</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

SINKING FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash	\$ 288,000	\$ 173,885
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Capital Projects	288,000	173,885
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 288,000	 \$ 173,885

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

SINKING FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2023	2022
<u>REVENUES</u>		
Local Sources		
Property Taxes	\$ 149,456	\$ 141,356
Interest on Delinquent Taxes	554	537
Earnings on Investments and Deposits	994	303
State Sources		
Payments in Lieu of Tax		
Commercial Forest	855	802
	151,859	142,998
<u>EXPENDITURES</u>		
Supporting Services		
Operation and Maintenance of Plant		
Purchased Services	37,726	48,603
Taxes Abated and Written Off	18	30
	37,744	48,633
Total Expenditures	37,744	48,633
Excess of Revenues Over (Under) Expenditures	114,115	94,365
<u>FUND BALANCE</u> - Beginning of Year	173,885	79,520
<u>FUND BALANCE</u> - End of Year	\$ 288,000	\$ 173,885

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

STADIUM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash	\$ 13,175	\$ 12,283
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Capital Projects	13,175	12,283
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 13,175	 \$ 12,283

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

STADIUM CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>
<u>REVENUES</u>		
Local Sources		
Contributions from Private Sources	\$ 875	\$ 650
Earnings on Investments and Deposits	17	12
	<hr/>	<hr/>
Total Revenues	892	662
 <u>EXPENDITURES</u>		
Facilities Acquisition	0	0
	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	892	662
 <u>FUND BALANCE</u> - Beginning of Year	<hr/> 12,283	<hr/> 11,621
 <u>FUND BALANCE</u> - End of Year	<hr/> \$ 13,175	<hr/> \$ 12,283

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

2015 REFUNDING BONDS

JUNE 30, 2023

<u>TITLE OF ISSUE</u>	2015 Refunding Bonds (General Obligation-Unlimited Tax)	
<u>PURPOSE</u>	For the purpose of refunding part of the District's 2005 Refunding Bonds, dated July 7, 2005, which are due and payable May 1, 2016 through May 1, 2023, and to pay the costs of issuing the bonds.	
<u>DATE OF ISSUE</u>	February 11, 2015	
<u>AMOUNT OF ISSUE</u>		\$ 3,885,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Year	\$ 3,140,000	
During Current Year	745,000	3,885,000
		<hr/>
<u>BALANCE OUTSTANDING</u> - June 30, 2023		<u><u>\$ 0</u></u>

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

2017 BUS & TECHNOLOGY BONDS

JUNE 30, 2023

<u>TITLE OF ISSUE</u>	2017 School Technology and Bus Bonds (General Obligation-Unlimited Tax)		
<u>PURPOSE</u>	This bond is issued for the purpose of remodeling, equipping and re-equipping school buildings; acquiring and installing instructional technology in school buildings; and acquiring buses.		
<u>DATE OF ISSUE</u>	April 5, 2017		
<u>AMOUNT OF ISSUE</u>		\$	990,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Year	\$	675,000	
During Current Year		315,000	990,000
			<hr/>
<u>BALANCE OUTSTANDING - June 30, 2023</u>		\$	<u>0</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 SCHOOL BUILDING AND SITE BONDS, SERIES I

JUNE 30, 2023

<u>TITLE OF ISSUE</u>	2023 School Building and Site Bonds, Series I		
<u>PURPOSE</u>	For the purpose of erecting secure entries to school buildings; remodeling, furnishing and equipping school buildings; acquiring, installing, equipping school buildings for instructional technology; erecting, furnishing and equipping maintenance and athletic storage building, athletic field house and athletic concession buildings; purchasing school buses; preparing, developing and improving athletic fields and sites, dated February 22, 2023, which are due and payable November 1, 2023 through May 1, 2046, and to pay the costs of issuing the bonds.		
<u>DATE OF ISSUE</u>	February 22, 2023		
<u>AMOUNT OF ISSUE</u>	\$		16,340,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Year	\$	0	
During Current Year		0	0
<u>BALANCE OUTSTANDING - June 30, 2023</u>	\$		<u>16,340,000</u>

<u>DUE DATES</u>	<u>INTEREST RATE</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2023		\$ 565,092	\$ 565,092	
May 1, 2024	5.00%	648,500	408,500	\$ 240,000
November 1, 2024		402,500	402,500	
May 1, 2025	5.00%	852,500	402,500	450,000
November 1, 2025		391,250	391,250	
May 1, 2026	5.00%	871,250	391,250	480,000
November 1, 2026		379,250	379,250	
May 1, 2027	5.00%	724,250	379,250	345,000
November 1, 2027		370,625	370,625	
May 1, 2028	5.00%	770,625	370,625	400,000
November 1, 2028		360,625	360,625	
May 1, 2029	5.00%	780,625	360,625	420,000
November 1, 2029		350,125	350,125	
May 1, 2030	5.00%	790,125	350,125	440,000

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 SCHOOL BUILDING AND SITE BONDS, SERIES I

JUNE 30, 2023

<u>DUE DATES</u>	<u>INTEREST RATE</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2030		339,125	339,125	
May 1, 2031	5.00%	799,125	339,125	460,000
November 1, 2031		327,625	327,625	
May 1, 2032	5.00%	812,625	327,625	485,000
November 1, 2032		315,500	315,500	
May 1, 2033	5.00%	1,015,500	315,500	700,000
November 1, 2033		298,000	298,000	
May 1, 2034	5.00%	1,028,000	298,000	730,000
November 1, 2034		279,750	279,750	
May 1, 2035	5.00%	1,044,750	279,750	765,000
November 1, 2035		260,625	260,625	
May 1, 2036	5.00%	1,060,625	260,625	800,000
November 1, 2036		240,625	240,625	
May 1, 2037	5.00%	1,075,625	240,625	835,000
November 1, 2037		219,750	219,750	
May 1, 2038	5.00%	1,094,750	219,750	875,000
November 1, 2038		197,875	197,875	
May 1, 2039	5.00%	1,112,875	197,875	915,000
November 1, 2039		175,000	175,000	
May 1, 2040	5.00%	1,135,000	175,000	960,000
November 1, 2040		151,000	151,000	
May 1, 2041	5.00%	1,151,000	151,000	1,000,000
November 1, 2041		126,000	126,000	
May 1, 2042	5.00%	1,126,000	126,000	1,000,000
November 1, 2042		101,000	101,000	
May 1, 2043	5.00%	1,101,000	101,000	1,000,000
November 1, 2043		76,000	76,000	
May 1, 2044	5.00%	1,076,000	76,000	1,000,000
November 1, 2044		51,000	51,000	
May 1, 2045	5.00%	1,071,000	51,000	1,020,000
November 1, 2045		25,500	25,500	
May 1, 2046	5.00%	1,045,500	25,500	1,020,000
		\$ 28,191,092	\$ 11,851,092	\$ 16,340,000

