

MANCELONA PUBLIC SCHOOLS

REPORT ON FINANCIAL STATEMENTS

JUNE 30, 2024

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

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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, 2024, 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, 2024, 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 4-11 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 30, 2024, 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 30, 2024

Mancelona Public Schools
Mancelona, Michigan
Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2024

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, 2024. 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 assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,061,212. Of this amount, capital assets net of related debt was \$10,127,130.
- The government’s total net deficit decreased by \$2,929,020.

Fund Level

- As of the close of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$13,753,898, a decrease of \$8,748,681 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,120,557.

**Mancelona Public Schools
Mancelona, Michigan
Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2024**

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 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.

**Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2024**

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 19-47 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.

	2024	2023
Assets		
Current Assets	\$ 16,972,861	\$ 23,957,085
Non Current Assets	20,919,675	11,064,807
TOTAL ASSETS	37,892,536	35,021,892
Deferred Outflows of Resources	5,531,860	6,644,394
Liabilities		
Current Liabilities	3,803,130	1,977,052
Non Current Liabilities	32,931,867	37,035,242
TOTAL LIABILITIES	36,734,997	39,012,294
Deferred Inflows of Resources	5,628,187	4,521,800
Net Position		
Net Investment in Capital Assets	10,127,130	9,859,466
Restricted	930,757	415,326
Unrestricted - (Deficit)	(9,996,675)	(12,142,600)
TOTAL NET POSITION - (Deficit)	\$ 1,061,212	\$ (1,867,808)

Analysis of Financial Position

During the fiscal year ended June 30, 2024, the District's net position increased by \$2,929,020. 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.

**Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2024**

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, 2024, \$908,698 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/assets increases or decreases in any given year.

3. Capital Outlay Acquisitions

For the fiscal year ended June 30, 2024, \$10,492,325 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 \$9,583,627 for the fiscal year ended June 30, 2024.

Change in Net Position

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

	2024	2023
General Revenues		
Property Taxes	\$ 5,562,385	\$ 5,052,260
Investment Earnings	996,115	466,778
State Sources	3,918,025	4,094,018
Gain on Sale of Capital Assets	45,000	51,000
Other	218,223	133,437
Total General Revenues	10,739,748	9,797,493
Program Revenues		
Charges for Services	364,436	417,592
Operating Grants and Contributions	5,828,661	5,067,916
Total Program Revenues	6,193,097	5,485,508
Total Revenues	16,932,845	15,283,001

**Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>
Expenses		
Instruction	5,829,129	5,645,089
Supporting Services	5,235,858	5,432,360
Food Service Activities	892,154	1,019,585
Custody and Care of Children	352,908	323,429
Community Services	5,664	4,422
Prior Period Adjustment	17,725	5,446
Interest on Long-Term Debt	738,379	216,013
Bond Issuance Costs	500	145,694
Other Transactions	22,810	19,267
Unallocated Depreciation	908,698	630,725
	<u>14,003,825</u>	<u>13,442,030</u>
Total Expenses	<u>14,003,825</u>	<u>13,442,030</u>
Change in Net Position	<u>\$ 2,929,020</u>	<u>\$ 1,840,971</u>

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:

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Major Fund			
General Fund	\$ 4,437,842	\$ 3,726,058	\$ 711,784
2023 Capital Projects	7,544,033	17,189,330	(9,645,297)
Nonmajor Funds			
Food Service	236,948	234,418	2,530
Latchkey	763,204	668,298	94,906
School Activities	201,527	211,288	(9,761)
2023 Debt Retirement	200,472	172,012	28,460
Sinking Capital Projects	349,165	288,000	61,165
Stadium Capital Projects	20,707	13,175	7,532
	<u>\$ 13,753,898</u>	<u>\$ 22,502,579</u>	<u>\$ (8,748,681)</u>
Total Governmental Funds	<u>\$ 13,753,898</u>	<u>\$ 22,502,579</u>	<u>\$ (8,748,681)</u>

The General Fund balance increased primarily due to new state aid allocations for enrollment stabilization, transportation funding; plus, greater retirement cost offsets than originally anticipated. We earned sizable interest revenue on our cash and investment balances and recognized revenue from a timber harvest on school properties.

The 2023 Capital Projects Fund decreased due to spending on capital improvements and assets.

The Food Service Fund increased due to slightly lower staffing costs due to unfilled positions and a summer food program that provides free lunches and breakfasts for seven days called non-congregate rural SFSP program.

**Mancelona Public Schools
Mancelona, Michigan
Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2024**

The Latchkey Fund increased primarily due to more families qualifying for Department of Health and Human Services (DHHS) reimbursement and increased reimbursement rates from Northwest Michigan Community Action Agency and DHHS.

The School Activities Fund decreased due to the expenditures outweighing fundraisers and events.

The 2023 Debt Retirement Fund increased due to collecting more tax revenue than debt payments made during the fiscal year.

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

The Stadium Capital Projects Fund increased due to donations received.

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 2023-2024 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:

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues	\$ 12,224,105	\$ 13,867,759	\$ 12,904,657
Expenditures			
Instruction	\$ 6,686,166	\$ 7,211,129	\$ 6,674,305
Supporting Services	5,736,250	6,071,853	5,514,695
Community Services	1,000	13,023	5,664
Facilities Acquisition, Construction, and Improvements	0	2,750	2,750
Prior Period Adjustments	50,000	20,000	17,725
Other Transactions	21,000	25,333	22,734
Total Expenditures	\$ 12,494,416	\$ 13,344,088	\$ 12,237,873

The original revenue budget of \$12,224,105 was increased to \$13,867,759 as a result of additional state aid allocations such as enrollment stabilizer to offset losses due to declining enrollment, educator compensation and transportation funding that we were unaware of at budget adoption. Locally, we earned sizable interest on our cash and investments, received revenue from a timber harvest on one of the school’s properties and sold three buses.

The expenditure budget of \$12,494,416 was increased to \$13,344,088 to match additional grant expenditures, new athletic opportunities and curriculum and supply needs.

The difference between final budget compared to actual was related to budgeting conservatively.

**Mancelona Public Schools
Mancelona, Michigan
Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2024**

Capital Asset and Debt Administration

Capital Assets. The District’s investment in capital assets for its governmental activities as of June 30, 2024, amounted to \$20,648,434 (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)**

	2024	2023
Land and Improvements	\$ 387,830	\$ 350,614
Buildings and Additions	7,965,358	8,606,401
Machinery and Equipment	370,957	358,174
Transportation Equipment	489,745	626,171
Construction in Progress	11,434,544	1,123,447
Total Capital Assets	\$ 20,648,434	\$ 11,064,807

Additions to capital assets included:

- Building improvements and upgrades in the amount of \$10,311,097.
- Air conditioning system in the amount of \$5,911.
- Ventilation system in the amount of \$12,600.
- Door frames and hardware in the amount of \$11,690.
- Window security films for all buildings in the amount of \$13,366.
- A retaining wall in the amount of \$53,782.
- Resurfacing the track in the amount of \$10,000.
- Walk-in freezer in the amount of \$28,447.
- John Deere ZTrak in the amount of \$15,872.
- Hewlett Packard server in the amount of \$20,860.
- Golf cart in the amount of \$8,700.

Disposals to capital assets included:

- Boilers
- Tile and flooring
- Water heater burners
- Standing counter
- Three buses

In addition to the above, the District committed to various building and land improvement projects. In total the contracted amount for these projects is \$16,203,240. As of June 30, 2024, \$10,353,618 has been spent and the District has a remaining commitment of \$5,849,623.

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

Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2024

Long-Term Obligations

At year-end, the District had \$33,381,867 in long-term obligations outstanding. This represents a net decrease of \$3,893,375 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 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.
- The loss of federal funding through ESSER and other COVID relief grants has been accounted for in future budgets. Plans have been developed to use other funding sources to retain essential positions hired with the federal dollars.
- 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, 2024

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash	\$ 2,288,386
Accounts Receivable	57,493
Due from Other Governmental Units	1,557,366
Inventory	55,724
Prepaid Expense	8,287
Investments	4,281,132
Restricted Assets - Cash	36,443
Restricted Assets - Investments	8,688,030
	<hr/>
Total Current Assets	16,972,861
	<hr/>
<u>NONCURRENT ASSETS</u>	
Capital Assets (Net of Accumulated Depreciation)	
Assets Not Being Depreciated	11,553,257
Assets Being Depreciated	9,095,177
Net Other Postemployment Benefits Asset	271,241
	<hr/>
Total Noncurrent Assets	20,919,675
	<hr/>
TOTAL ASSETS	37,892,536
	<hr/>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows Related to Pensions	4,463,873
Deferred Outflows Related to Other Postemployment Benefits	1,067,987
	<hr/>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,531,860
	<hr/>
<u>LIABILITIES</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	839,060
Retainage Payable	676,389
Accrued Expenses	463,993
Accrued Interest Payable	134,167
Salaries Payable	572,772
Unearned Revenue	666,749
Current Portion of Noncurrent Liabilities	450,000
	<hr/>
Total Current Liabilities	3,803,130
	<hr/>

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

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2024

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>NONCURRENT LIABILITIES</u>	
Bonds Payable-Net	18,065,337
Compensated Absences	183,261
Net Pension Liability	15,133,269
Less Current Portion of Noncurrent Liabilities	<u>(450,000)</u>
Total Noncurrent Liabilities	<u>32,931,867</u>
TOTAL LIABILITIES	<u>36,734,997</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows Related to Pensions	3,228,757
Deferred Inflows Related to Other Postemployment Benefits	<u>2,399,430</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,628,187</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	10,127,130
Restricted for:	
Capital Projects	369,872
Debt Service	66,305
Food Service	223,339
Net Other Postemployment Benefits Asset	271,241
Unrestricted - (Deficit)	<u>(9,996,675)</u>
TOTAL NET POSITION	<u>\$ 1,061,212</u>

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

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		GOVERNMENTAL ACTIVITIES NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<u>GOVERNMENTAL ACTIVITIES</u>				
Instruction	\$ 5,829,129	\$ 0	\$ 2,603,316	\$ (3,225,813)
Supporting Services	5,235,858	60,109	2,160,570	(3,015,179)
Food Service Activities	892,154	59,672	834,012	1,530
Custody and Care of Children	352,908	244,655	207,158	98,905
Community Services	5,664	0	5,664	0
Prior Period Adjustments	17,725	0	17,941	216
Interest on Long-Term Debt	738,379	0	0	(738,379)
Bond Issuance Costs	500	0	0	(500)
Other Transactions	22,810	0	0	(22,810)
Unallocated Depreciation	908,698	0	0	(908,698)
Total Governmental Activities	\$ 14,003,825	\$ 364,436	\$ 5,828,661	(7,810,728)
<u>GENERAL REVENUES</u>				
Property Taxes - General Purposes				4,154,054
Property Taxes - Debt Service				1,241,405
Property Taxes - Sinking Fund				166,926
Investment Earnings				996,115
State Sources				3,918,025
Gain on Sale of Capital Assets				45,000
Other				218,223
Total General Revenues				10,739,748
Change in Net Position				2,929,020
<u>NET POSITION</u> - Beginning of Year - (Deficit)				(1,867,808)
<u>NET POSITION</u> - End of Year				\$ 1,061,212

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

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2024

	GENERAL	2023 CAPITAL	OTHER NONMAJOR	TOTAL
	FUND	PROJECTS	GOVERNMENTAL	GOVERNMENTAL
		FUND	FUNDS	FUNDS
<u>ASSETS</u>				
Cash	\$ 606,412	\$ 0	\$ 1,681,974	\$ 2,288,386
Accounts Receivable	1,454	0	56,039	57,493
Due from Other Funds	0	0	2,736	2,736
Due from Other Governmental Units	1,495,140	0	62,226	1,557,366
Inventory	42,115	0	13,609	55,724
Prepaid Expenditures	7,827	0	460	8,287
Investments	4,281,132	0	0	4,281,132
Restricted Assets - Cash	0	36,443	0	36,443
Restricted Assets - Investments	0	8,688,030	0	8,688,030
TOTAL ASSETS	<u>\$ 6,434,080</u>	<u>\$ 8,724,473</u>	<u>\$ 1,817,044</u>	<u>\$ 16,975,597</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 291,533	\$ 504,051	\$ 43,476	\$ 839,060
Due to Other Funds	1,191	0	1,545	2,736
Retainage Payable	0	676,389	0	676,389
Accrued Expenditures	463,993	0	0	463,993
Salaries Payable	572,772	0	0	572,772
Unearned Revenue	666,749	0	0	666,749
Total Liabilities	<u>1,996,238</u>	<u>1,180,440</u>	<u>45,021</u>	<u>3,221,699</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	42,115	0	13,609	55,724
Prepaid Expenditures	7,827	0	460	8,287
Restricted for:				
Debt Service	0	0	200,472	200,472
Capital Projects	0	7,544,033	369,872	7,913,905
Food Service	0	0	223,339	223,339
Assigned for:				
Custody and Care of Children	0	0	762,744	762,744
Student Activities	0	0	201,527	201,527
Subsequent Year's Budget Shortfall	267,343	0	0	267,343
Unassigned	4,120,557	0	0	4,120,557
Total Fund Balances	<u>4,437,842</u>	<u>7,544,033</u>	<u>1,772,023</u>	<u>13,753,898</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,434,080</u>	<u>\$ 8,724,473</u>	<u>\$ 1,817,044</u>	<u>\$ 16,975,597</u>

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, 2024

Total Governmental Fund Balances \$ 13,753,898

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	\$ 33,863,047	
Accumulated depreciation is	<u>(13,214,613)</u>	20,648,434

Some assets are not current financial resources and therefore are not reported in the funds.

Net Other Postemployment Benefits Asset		271,241
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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)		(1,965,337)
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Long-term liabilities are not due and payable in the current period and are not reported in the funds.

Bonds Payable		(16,100,000)
Compensated Absences		(183,261)
Net Pension Liability		(15,133,269)

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		4,463,873
Deferred inflows of resources - related to pensions		(3,228,757)
Deferred outflows of resources - related to other postemployment benefits		1,067,987
Deferred inflows of resources - related to other postemployment benefits		(2,399,430)

Accrued interest is not included as a liability in governmental funds, it is recorded when paid.

(134,167)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 1,061,212

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, 2024

	GENERAL FUND	2023 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Local Sources	\$ 4,551,912	\$ 735,360	\$ 1,930,769	\$ 7,218,041
State Sources	6,672,967	0	246,331	6,919,298
Federal Sources	1,285,460	0	784,359	2,069,819
Other Transactions	394,318	0	8,366	402,684
Total Revenues	<u>12,904,657</u>	<u>735,360</u>	<u>2,969,825</u>	<u>16,609,842</u>
<u>EXPENDITURES</u>				
Instruction				
Basic Programs	5,326,788	0	0	5,326,788
Added Needs	1,347,517	0	0	1,347,517
Supporting Services				
Pupil	771,049	0	0	771,049
Instructional Staff	542,725	0	0	542,725
General Administration	423,409	0	0	423,409
School Administration	780,953	0	0	780,953
Business	298,911	0	0	298,911
Operation and Maintenance	1,424,280	0	107,234	1,531,514
Pupil Transportation Services	686,172	0	0	686,172
Central Support Services	288,382	218,401	0	506,783
Other Support Services	298,814	0	211,647	510,461
Food Service Activities	0	0	892,154	892,154
Custody and Care of Children	0	0	357,790	357,790
Community Services	5,664	0	0	5,664
Facilities Acquisition, Construction, and Improvements	2,750	10,161,756	0	10,164,506
Prior Period Adjustments	17,725	0	0	17,725
Debt Service				
Principal	0	0	240,000	240,000
Interest	0	0	976,092	976,092
Bond Issuance Costs	0	500	0	500
Other Transactions	22,734	0	76	22,810
Total Expenditures	<u>12,237,873</u>	<u>10,380,657</u>	<u>2,784,993</u>	<u>25,403,523</u>
Excess (Deficiency) of Revenues Over Expenditures	666,784	(9,645,297)	184,832	(8,793,681)
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from the Sale of Capital Assets	45,000	0	0	45,000
Net Change in Fund Balance	711,784	(9,645,297)	184,832	(8,748,681)
<u>FUND BALANCE - Beginning of Year</u>	<u>3,726,058</u>	<u>17,189,330</u>	<u>1,587,191</u>	<u>22,502,579</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 4,437,842</u>	<u>\$ 7,544,033</u>	<u>\$ 1,772,023</u>	<u>\$ 13,753,898</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, 2024

Net Change in Fund Balances-Total Governmental Funds \$ (8,748,681)

Amounts reported for governmental activities are different because:

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

Depreciation Expense	(908,698)
Capital Outlay	10,492,325

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	(134,167)
Accrued Interest Payable - Beginning of Year	282,546

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	89,334
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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).

Repayment of Debt	240,000
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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	184,554
Early Retirement and Compensated Absences - End of Year	(183,261)

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

Change in Pension Related Items	441,333
Change in Other Postemployment Benefit Items	895,732

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	278,003
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,929,020</u>
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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, 2024

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, 2024

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 2023 Debt Retirement Fund is a 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.

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

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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.
- 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.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

- 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 20, 2023, or as amended by the School Board of Education throughout the year.

2. Excess of Expenditures Over Appropriations

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>
Food Service Fund	\$ 888,341	\$ 892,154

This overage was covered by greater than anticipated revenues and unassigned fund balance.

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.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

- d) The United States government or federal agency obligations repurchase agreements.
- e) Bankers' acceptances of United States banks.
- f) Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

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

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

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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.

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 assets 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 assets 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 liability and other postemployment benefit asset, 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, 2024

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 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.

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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, 2024 the foundation allowance was based on pupil membership counts taken in October 2023 and February 2024. For fiscal year ended June 30, 2024, the per pupil foundation allowance was \$9,608 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 2023 to August 2024. 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, 2024, the District levied the following amounts per \$1,000 of taxable valuation:

Fund	Mills
General Fund - Non Principal Residence Exemption	18.0000
General Fund - Commercial Personal Property	6.0000
Debt Service Funds - PRE, Non-PRE, Commercial Personal Property	2.9500
Sinking Fund - PRE, Non-PRE, Commercial Personal Property	.3944

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 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Violations of Legal or Contractual Provisions

Note I.F.2, on the Excess of Expenditures Over Appropriations, describes a budgetary violation that occurred for the year ended June 30, 2024.

NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of June 30, 2024, the District had deposits and investments subject to the following risks:

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, 2024, the District’s bank balance was \$2,780,958 and \$2,142,323 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 \$2,323,829 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, 2024:

	Primary Government
Cash	\$ 2,288,386
Investments	4,281,132
Restricted Cash	36,443
Restricted Investments	8,688,030
	\$ 15,293,991

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

	Fair Value	Weighted Average Maturity (Years)
MILAF External Investment Pool - Max	\$ 12,969,162	0.0945
Portfolio Weighted Average Maturity		0.0945

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	\$ 12,969,162	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.

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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.

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	\$ 12,969,162

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	\$ 1,454	\$ 56,039	\$ 57,493
Due from Other Governmental Units	1,495,140	62,226	1,557,366
Total Receivables	\$ 1,496,594	\$ 118,265	\$ 1,614,859

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.

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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:

	Unavailable	Unearned
Grant Receipts Received, But Not Yet Utilized	\$ 0	\$ 666,749

C. Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets not Being Depreciated:				
Land	\$ 118,713	\$ 0	\$ 0	\$ 118,713
Construction in Progress	1,123,447	10,311,097	0	11,434,544
Total Capital Assets not Being Depreciated	1,242,160	10,311,097	0	11,553,257
Capital Assets Being Depreciated				
Land Improvements	899,407	63,782	0	963,189
Buildings and Additions	19,307,021	43,567	404,382	18,946,206
Machinery and Equipment	1,209,696	73,879	0	1,283,575
Transportation Equipment	1,370,830	0	254,010	1,116,820
Subtotal	22,786,954	181,228	658,392	22,309,790
Less Accumulated Depreciation For:				
Land Improvements	(667,506)	(26,566)	0	(694,072)
Buildings and Additions	(10,700,620)	(684,610)	404,382	(10,980,848)
Machinery and Equipment	(851,522)	(61,096)	0	(912,618)
Transportation Equipment	(744,659)	(136,426)	254,010	(627,075)
Total Accumulated Depreciation	(12,964,307)	(908,698)	658,392	(13,214,613)
Total Capital Assets Being Depreciated, Net	9,822,647	(727,470)	0	9,095,177
Capital Assets, Net	\$ 11,064,807	\$ 9,583,627	\$ 0	\$ 20,648,434

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

Governmental Activities	
Unallocated	<u>\$ 908,698</u>

D. Retirement and Post-Employment Benefits

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

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

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.

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

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (MPSERS) who became a member of MPSERS 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 maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

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

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Pension and OPEB contributions made in the fiscal year ending September 30, 2023, were determined as of the September 30, 2020, actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2020, are amortized over a 16-year period beginning October 1, 2022, 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, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%
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, 2024, were equal to the required contribution total. Total pension contributions were approximately \$2,069,000. Of the total pension contributions approximately \$2,003,000 was contributed to fund the Defined Benefit Plan and approximately \$66,000 was contributed to fund the Defined Contribution Fund.

The District's OPEB contributions for the year ended June 30, 2024 were equal to the required contribution total. Total OPEB benefits were approximately \$416,000. Of the total OPEB contributions approximately \$376,000 was contributed to fund the Defined Benefit Plan and approximately \$40,000 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, 2024, the District reported a liability of \$15,133,269 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2022, 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, 2023 and 2022, the District's proportion was 0.04675659% and 0.04718169%.

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MPSERS (Plan) Non-University Employers Net Pension Liability

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Total Pension Liability	\$ 94,947,828,557	\$ 95,876,795,620
Fiduciary Net Position	(62,581,762,238)	(58,268,076,344)
Net Pension Liability	<u>\$ 32,366,066,319</u>	<u>\$ 37,608,719,276</u>
Fiduciary Net Position as a Percentage of Total Pension liability	65.91%	60.77%
Net Pension Liability as a Percentage of Covered Payroll	320.51%	386.25%

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

For the year ended June 30, 2024, the District recognized total pension expense of \$1,565,826.

At June 30, 2024, 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	\$ 477,711	\$ 23,182
Section 147c revenue related to District Pension contributions subsequent to the measurement date	0	944,562
Changes of assumptions	2,050,627	1,182,345
Net difference between projected and actual earnings on pension plan investments	0	309,676
Changes in proportion and differences between District contributions and proportionate share of contributions	1,095	768,992
District contributions subsequent to the measurement date	<u>1,934,440</u>	<u>0</u>
Total	<u>\$ 4,463,873</u>	<u>\$ 3,228,757</u>

\$1,934,440 reported as deferred outflows of resources and \$944,562 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>
2024	\$ (20,360)
2025	(48,398)
2026	549,143
2027	(235,147)
	\$ 245,238

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

OPEB Liabilities

At June 30, 2024, the District reported a liability (asset) of (\$271,241) for its proportionate share of the net OPEB liability (asset). The net OPEB liability was measured as of September 30, 2023, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2022, and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability (asset) 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, 2023 and 2022, the District's proportion was 0.04794792% and 0.04492730%.

MPSERS (Plan) Non-University Employers Net OPEB Liability

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Total OPEB Liability	\$ 11,223,648,949	\$ 12,522,713,324
Fiduciary Net Position	(11,789,347,341)	(10,404,650,683)
Net OPEB Liability (Asset)	\$ (565,698,392)	\$ 2,118,062,641
Fiduciary Net Position as a Percentage of Total OPEB Liability (Asset)	105.04%	83.09%
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-5.60%	21.75%

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

For the year ended June 30, 2024, the District recognized total OPEB benefit of \$506,172.

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At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 2,049,633
Changes of assumptions	603,829	72,712
Net difference between projected and actual earnings on OPEB plan investments	827	0
Changes in proportion and differences between District contributions and proportionate share of contributions	119,474	277,085
District contributions subsequent to the measurement date	343,857	0
Total	<u>\$ 1,067,987</u>	<u>\$ 2,399,430</u>

\$343,857 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:

<u>Year Ended September 30,</u>	<u>Amount</u>
2024	\$ (548,496)
2025	(519,697)
2026	(229,389)
2027	(196,108)
2028	(123,143)
Thereafter	(58,467)
	<u>\$ (1,675,300)</u>

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.

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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: PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Disabled Retirees: PubNS-2010 Male and Female Disabled Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Experience study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2022. Assumption changes as a result of an experience study for the periods 2017 through 2022 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2023 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, 7.50% for year one and graded to 3.5% in year fifteen. Post 65, 6.25% 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 electing two-person coverage are assumed to have coverage continuing after the retiree's death.

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

The target asset allocation at September 30, 2023 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%	5.80%
Private Equity Pools	16.00%	9.60%
International Equity Pools	15.00%	6.80%
Fixed Income Pools	13.00%	1.30%
Real Estate & Infrastructure Pools	10.00%	6.40%
Absolute Return Pools	9.00%	4.80%
Real Return/Opportunistic Pools	10.00%	7.30%
Short-Term Investment Pools	2.00%	0.30%
	<u>100%</u>	

*Long-term rate of return are net of administrative expenses and 2.7% inflation.

Rate of return

For fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 8.29% and 7.94% 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.

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

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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
\$	20,445,002	\$	15,133,269	\$ 10,711,059

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 (asset) calculated using a single discount rate of 6.00%, as well as what the District’s proportionate share of the net OPEB liability (asset) 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
\$	281,195	\$	(271,241)	\$ (746,005)

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 (asset) calculated using the healthcare cost trend rate, as well as what the District’s proportionate share of the net other postemployment benefit liability (asset) 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:

OPEB				
	Current Healthcare Cost			
1% Decrease		Trend Rates		1% Increase
\$	(747,189)	\$	(271,241)	\$ 243,891

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 2023 Annual Comprehensive Financial Report.

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I. Payables to the Pension and OPEB Plan

As of June 30, 2024, the District is current on all required pension and other postemployment benefit plan payments. As of June 30, 2024, the District reported payables in the amount of \$339,922 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.

The following is a summary of the governmental long-term obligation transactions for the District for the year ended June 30, 2024:

	Compensated Absences	General Obligation Bonds	Net Pension Liability	Total
<u>Balance:</u> July 1, 2023	\$ 184,554	\$ 16,340,000	\$ 17,744,429	\$ 34,268,983
Additions	21,457	0	1,685,160	1,706,617
Deletions	(22,750)	(240,000)	(4,296,320)	(4,559,070)
<u>Balance:</u> June 30, 2024	183,261	16,100,000	15,133,269	31,416,530
Less current portion	0	(450,000)	0	(450,000)
Total due after one year	<u>\$ 183,261</u>	<u>\$ 15,650,000</u>	<u>\$ 15,133,269</u>	<u>\$ 30,966,530</u>

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The District's liability obligations at June 30, 2024, are comprised of the following issues:

General Obligation Bonds

2023 School Building and Site Bonds due in annual installments of \$345,000 to \$1,020,000 through May 1, 2026, interest at 5.00%	\$ 16,100,000
Compensated Absences	183,261
Net Pension Liability	15,133,269
Total long-term obligations	\$ 31,416,530

The annual requirements to amortize all long-term obligations as of June 30, 2024, including interest of \$10,877,500 are as follows:

Year ending June 30,	<u>Bonds</u>		Amounts Payable
	Principal	Interest	
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	420,000	721,250	1,141,250
2030-2034	2,815,000	3,260,750	6,075,750
2035-2039	4,190,000	2,397,250	6,587,250
2040-2044	4,960,000	1,258,000	6,218,000
2045-2046	2,040,000	153,000	2,193,000
	\$ 16,100,000	\$ 10,877,500	26,977,500
Compensated Absences			183,261
Net Pension Liability			15,133,269
			\$ 42,294,030

Interest expense for the year ended June 30, 2024 was approximately \$738,379.

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

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

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L. Interfund Receivables and Payables and Interfund Transfers

Interfund Receivables and Payables as shown in the individual fund financial statements at June 30, 2024, were:

Receivable Fund	Payable Fund	Amount
School Activities Fund	General Fund	\$ 1,191
2023 Debt Retirement Fund	Sinking Fund	1,545
		\$ 2,736

The outstanding balances between funds result mainly from the time lag between the dates that (1) Interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All Interfund balances outstanding at June 30, 2024 are expected to be repaid within one year.

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. There were no interfund transfers during the 2024 fiscal year.

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 May 3, 2022, the taxpayers approved the authorization of a sinking fund tax levy. The District is authorized to levy .3944 mills for 4 years beginning with the 2023 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 \$52,759 for the year. The District solicited competitive bids in 2017 and this vendor was the low bidder.

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JUNE 30, 2024

Q. Other Information

1. Commitments and Contingencies

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.

Commitments – The District has various contracts related to the reconstruction of the Elementary, Middle School, High School, and Athletic Building. In total the contracted amount for these projects is \$16,203,240. As of June 30, 2024, \$10,353,618 has been paid and the District has a remaining commitment of \$5,849,623 which will be expensed from the 2023 Capital Projects Fund in the 2024-2025 fiscal year.

2. Capital Projects Fund

The 2023 Capital Projects Fund includes capital project activities funded with bonds. For this capital project, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. The fund is not yet considered substantially complete and a subsequent year audit is expected.

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. 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.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events

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associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

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The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

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REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<u>REVENUES</u>				
Local Sources	\$ 4,353,863	\$ 4,551,852	\$ 4,551,912	\$ 60
State Sources	6,055,198	7,449,270	6,672,967	(776,303)
Federal Sources	1,402,347	1,475,549	1,285,460	(190,089)
Other Transactions	412,697	391,088	394,318	3,230
Total Revenues	12,224,105	13,867,759	12,904,657	(963,102)
<u>EXPENDITURES</u>				
Instruction				
Basic Programs	5,373,716	5,498,585	5,326,788	(171,797)
Added Needs	1,312,450	1,712,544	1,347,517	(365,027)
Supporting Services				
Pupil	745,926	917,941	771,049	(146,892)
Instructional Staff	554,103	603,449	542,725	(60,724)
General Administration	465,766	430,457	423,409	(7,048)
School Administration	781,197	782,215	780,953	(1,262)
Business	295,030	299,933	298,911	(1,022)
Operation and Maintenance	1,707,419	1,673,145	1,424,280	(248,865)
Pupil Transportation Services	741,062	732,417	686,172	(46,245)
Central Support Services	224,226	307,084	288,382	(18,702)
Other Support Services	221,521	325,212	298,814	(26,398)
Community Services	1,000	13,023	5,664	(7,359)
Facilities Acquisition, Construction, and Improvements	0	2,750	2,750	0
Prior Period Adjustments	50,000	20,000	17,725	(2,275)
Other Transactions	21,000	25,333	22,734	(2,599)
Total Expenditures	12,494,416	13,344,088	12,237,873	(1,106,215)
Excess (Deficiency) of Revenues Over Expenditures	(270,311)	523,671	666,784	143,113
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from the Sale of Capital Assets	0	45,000	45,000	0
Net Change in Fund Balance	(270,311)	568,671	711,784	143,113
<u>FUND BALANCE</u> - Beginning of Year	3,462,252	3,726,058	3,726,058	0
<u>FUND BALANCE</u> - End of Year	\$ 3,191,941	\$ 4,294,729	\$ 4,437,842	\$ 143,113

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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, 2024

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of net pension liability (%)	0.046757%	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	\$ 15,133,269	\$ 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	4,791,638	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	315.83%	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	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

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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, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 2,002,414	\$ 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 *	2,002,414	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	\$ 0
Covered payroll	\$ 5,058,696	\$ 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	39.58%	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.

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

JUNE 30, 2024

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	
District's proportion of net OPEB liability (asset) (%)				0.04794792%	0.04492730%	0.04894509%	0.05137416%	0.05201864%	0.05169762%	0.04975682%	
District's proportionate share of net OPEB liability (asset)		\$	(271,241)	\$	951,588	\$	747,087	\$	3,733,767	\$	4,406,201
District's covered payroll			4,791,638		4,392,330		4,417,910		4,540,029		4,142,373
District's proportionate share of net OPEB liability (asset) as a percentage of its covered payroll			-5.66%		21.66%		16.91%		82.24%		106.37%
Plan fiduciary net position as a percentage of total OPEB liability (asset)			105.04%		83.09%		87.33%		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, 2024

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Statutorily required contributions											
Contributions in relation to statutorily required contributions *											
Contribution deficiency (excess)											
Covered payroll											
Contributions as a percentage of covered payroll											

* Contributions in relation to statutorily required 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, 2024

Pension Information

Changes of Benefit Terms - There were no changes of benefit terms for the plan year ended September 30, 2023.

Changes of Assumptions – The assumption changes for the plan year ended September 30, 2023 were:

Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

OPEB Information

Changes of Benefit Terms - There were no changes of benefit terms for the plan year ended September 30, 2023.

Changes of Assumptions – The assumption changes for the plan year ended September 30, 2023 were:

Healthcare cost trend rate

- Pre 65 decreased to 7.50% for year one graded to 3.50% for year fifteen from 7.75% for year one graded to 3.50% for year fifteen.
- Post 65 increased to 6.25% for year one and graded to 3.5% for year fifteen from 5.25% for year one and graded to 3.5% for year fifteen.

Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES

JUNE 30, 2024

	SPECIAL REVENUE FUNDS				DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	FOOD SERVICE	LATCHKEY	SCHOOL ACTIVITIES	2023 DEBT RETIREMENT	SINKING	STADIUM			
<u>ASSETS</u>									
Cash	\$ 164,702	\$ 746,592	\$ 200,336	\$ 198,927	\$ 350,710	\$ 20,707	\$	\$	1,681,974
Accounts Receivable	50,192	5,847	0	0	0	0	0	0	56,039
Due from Other Funds	0	0	1,191	1,545	0	0	0	0	2,736
Due from Other Governmental Units	44,123	18,103	0	0	0	0	0	0	62,226
Inventory	13,609	0	0	0	0	0	0	0	13,609
Prepaid Expenditures	0	460	0	0	0	0	0	0	460
TOTAL ASSETS	\$ 272,626	\$ 771,002	\$ 201,527	\$ 200,472	\$ 350,710	\$ 20,707	\$	\$	1,817,044
<u>LIABILITIES AND FUND BALANCES</u>									
<u>LIABILITIES</u>									
Accounts Payable	\$ 35,678	\$ 7,798	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	43,476
Due to Other Funds	0	0	0	0	1,545	0	0	0	1,545
TOTAL LIABILITIES	35,678	7,798	0	0	1,545	0	0	0	45,021
<u>FUND BALANCE</u>									
Nonspendable, Inventory	13,609	0	0	0	0	0	0	0	13,609
Nonspendable, Prepaid Expenditures	0	460	0	0	0	0	0	0	460
Restricted for Debt Retirement	0	0	0	200,472	0	0	0	0	200,472
Restricted for Capital Projects	0	0	0	0	349,165	20,707	0	0	369,872
Restricted for Food Service	223,339	0	0	0	0	0	0	0	223,339
Assigned for Custody and Care of Children	0	762,744	0	0	0	0	0	0	762,744
Assigned for Student Activities	0	0	201,527	0	0	0	0	0	201,527
Total Fund Balances	236,948	763,204	201,527	200,472	349,165	20,707	\$	\$	1,772,023
TOTAL LIABILITIES AND FUND BALANCES	\$ 272,626	\$ 771,002	\$ 201,527	\$ 200,472	\$ 350,710	\$ 20,707	\$	\$	1,817,044

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS		SCHOOL ACTIVITIES		2023 DEBT RETIREMENT		SINKING		STADIUM		CAPITAL PROJECTS FUNDS		TOTAL
	FOOD SERVICE	LATCHKEY											NONMAJOR GOVERNMENTAL FUNDS
<u>REVENUES</u>													
Local Sources	\$ 60,672	\$ 248,507	\$ 201,886	\$ 1,243,843	\$ 168,329	\$ 7,532	\$ 1,930,769						
State Sources	43,032	202,444	0	754	101	0	246,331						
Federal Sources	784,359	0	0	0	0	0	784,359						
Other Transactions	6,621	1,745	0	0	0	0	8,366						
Total Revenues	894,684	452,696	201,886	1,244,597	168,430	7,532	2,969,825						
<u>EXPENDITURES</u>													
Supporting Services													
Operation and Maintenance	0	0	0	0	107,234	0	107,234						
Other Support Services	0	0	211,647	0	0	0	211,647						
Food Service Activities	892,154	0	0	0	0	0	892,154						
Custody and Care of Children	0	357,790	0	0	0	0	357,790						
Debt Service													
Redemption of Principal	0	0	0	240,000	0	0	240,000						
Interest and Fees	0	0	0	976,092	0	0	976,092						
Other Transactions	0	0	0	45	31	0	76						
Total Expenditures	892,154	357,790	211,647	1,216,137	107,265	0	2,784,993						
Excess of Revenues													
Over (Under) Expenditures	2,530	94,906	(9,761)	28,460	61,165	7,532	184,832						
<u>FUND BALANCE - Beginning of Year</u>	234,418	668,298	211,288	172,012	288,000	13,175	1,587,191						
<u>FUND BALANCE - End of Year</u>	\$ 236,948	\$ 763,204	\$ 201,527	\$ 200,472	\$ 349,165	\$ 20,707	\$ 1,772,023						

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 606,412	\$ 529,587
Accounts Receivable	1,454	1,287
Due from Other Governmental Units	1,495,140	1,546,819
Inventory	42,115	41,556
Prepaid Expenditures	7,827	20,213
Investments	4,281,132	2,824,375
	<hr/>	<hr/>
TOTAL ASSETS	\$ 6,434,080	\$ 4,963,837
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 291,533	\$ 52,382
Due to Other Funds	1,191	0
Accrued Expenditures	463,993	473,942
Salaries Payable	572,772	506,173
Unearned Revenue	666,749	205,282
	<hr/>	<hr/>
Total Liabilities	1,996,238	1,237,779
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Nonspendable:		
Inventory	42,115	41,556
Prepaid Expenditures	7,827	20,213
Committed for:		
Field Trips	0	3,140
Assigned to:		
Subsequent Year's Budget Shortfall	267,343	270,311
Unassigned	4,120,557	3,390,838
	<hr/>	<hr/>
Total Fund Balance	4,437,842	3,726,058
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,434,080	\$ 4,963,837
	<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, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	<u>2024</u>		<u>2023</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Local Sources	\$ 4,551,852	\$ 4,551,912	\$ 4,058,642
State Sources	7,449,270	6,672,967	6,825,244
Federal Sources	1,475,549	1,285,460	1,150,027
Other Transactions	391,088	394,318	482,362
Total Revenues	<u>13,867,759</u>	<u>12,904,657</u>	<u>12,516,275</u>
<u>EXPENDITURES</u>			
Instruction			
Basic Programs			
Elementary School	1,280,590	1,269,130	1,397,349
Middle School	1,718,337	1,713,867	1,750,236
High School	1,884,556	1,878,062	1,556,877
Pre School	529,702	450,269	391,261
Summer School	85,400	15,460	19,821
Added Needs			
Special Education	673,838	671,480	566,695
Compensatory Education	1,038,706	676,037	814,550
Supporting Services			
Pupil			
Truancy/Absenteeism Services	48,095	47,943	44,821
Guidance Services	355,213	351,041	340,878
Health Services	3,033	3,689	0
Social Work Services	301,791	192,571	159,563
Other Pupil Services	209,809	175,805	177,795
Instructional Staff			
Improvement of Instruction	421,787	396,294	195,051
Educational Media Services	62,310	60,537	45,325
Instruction Related Technology	19,770	19,770	0
Supervision/Direction of Instruction	89,007	55,595	98,830
Academic Student Assessment	10,575	10,529	10,935
General Administration			
Board of Education	97,326	92,660	71,545
Executive Administration	333,131	330,749	325,535
School Administration			
Office of the Principal	779,644	778,363	802,898
Other School Administration	2,571	2,590	2,081

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	2024		2023
	BUDGET	ACTUAL	ACTUAL
Business			
Fiscal Services	270,394	269,511	271,250
Other Business Services	29,539	29,400	28,410
Operation and Maintenance			
Operating Buildings Services	1,564,649	1,403,623	1,591,118
Security Services	108,496	20,657	89,781
Pupil Transportation Services	732,417	686,172	763,539
Central Support Services			
Communication Services	24,142	18,085	22,117
Staff Services	32,510	29,193	31,229
Technology	250,432	241,104	242,814
Other Support Services			
Pupil Activities	11,411	11,411	16,597
Athletic Activities	313,313	286,915	225,807
Other Support Services	488	488	196
Community Services			
Community Recreation	9,108	4,652	0
Community Activities	2,565	1,012	772
Custody and Care of Children	1,350	0	3,650
Facilities Acquisition, Construction, and Improvements			
Site Improvement Services	2,750	2,750	0
Prior Period Adjustments	20,000	17,725	5,446
Other Transactions			
Payments to Other School Districts	25,333	22,734	19,096
Total Expenditures	<u>13,344,088</u>	<u>12,237,873</u>	<u>12,083,868</u>
Excess of Revenues Over (Under) Expenditures	523,671	666,784	432,407
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from the Sale of Capital Assets	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
Net Change in Fund Balance	568,671	711,784	477,407
<u>FUND BALANCE</u> - Beginning of Year	<u>3,726,058</u>	<u>3,726,058</u>	<u>3,248,651</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 4,294,729</u>	<u>\$ 4,437,842</u>	<u>\$ 3,726,058</u>

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	2024		2023
	BUDGET	ACTUAL	ACTUAL
<u>LOCAL SOURCES</u>			
Property Taxes			
Operating Millage	\$ 4,132,587	\$ 4,132,589	\$ 3,738,881
Interest on Delinquent Taxes	20,590	20,590	19,365
Other Taxes	875	875	3,800
Transportation Fees	0	0	178
Earnings on Investments and Deposits	254,000	253,038	133,825
Admissions	32,033	32,033	32,200
Dues and Fees	13,726	13,726	17,764
Other Pupil Activity	4,544	5,050	2,014
Community Service Activity	9,300	9,300	6,550
Contributions from Private Sources	30,507	30,569	93,638
Miscellaneous	53,690	54,142	10,427
Total Local Sources	<u>4,551,852</u>	<u>4,551,912</u>	<u>4,058,642</u>
<u>STATE SOURCES</u>			
Grants-In-Aid Unrestricted			
State School Aid			
Foundation Allowance	3,605,837	3,606,117	3,912,997
Grants-In-Aid Restricted			
State School Aid			
CTE Additional Payments	0	0	1,090
MPSERS Cost Offset	1,255,064	1,255,615	1,396,233
At Risk	955,432	606,221	566,794
School Readiness	512,522	408,730	381,260
First Robotics	9,776	9,776	15,248
Headlee Data Collection	23,235	23,233	23,084
Special Education	349,816	349,824	328,980
Social Worker	79,737	40,240	0
Employer Contributions Forfeiture Credit	5,389	5,389	2,233
Mental Health and Support Services	73,773	70,319	64,357
Per Pupil Mental Health Grant	257,094	69,648	39,702
Student Safety	10,656	10,656	0
MI Kids Back on Track	118,104	22,855	0
Educator Compensation Program	40,928	40,925	0
District Transportation Costs	145,232	145,232	0
Benchmark Assessment	6,675	6,675	0

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	2024		2023
	BUDGET	ACTUAL	ACTUAL
Student Loan Repayment Program	0	1,512	0
Per Pupil Student Safety Payments	0	0	89,782
Early Literacy Targeted Instruction	0	0	3,484
Total State Sources	7,449,270	6,672,967	6,825,244
<u>FEDERAL SOURCES</u>			
Grants-In-Aid Unrestricted			
Medicaid Fee for Services	6,739	6,739	4,399
Grants-In-Aid Restricted			
Pandemic EBT Local Level Costs	0	0	628
Preschool Grants - IDEA	15,191	15,191	0
Received from Michigan Department of Education			
Elementary and Secondary School Emergency Relief Fund	1,134,642	944,553	814,972
Title I Part A	261,548	261,548	268,843
Title II Part A - Improving Teacher Quality	37,087	37,087	41,761
Title IV Part A	20,342	20,342	19,424
Total Federal Sources	1,475,549	1,285,460	1,150,027
<u>OTHER TRANSACTIONS</u>			
Transfers from Other School Districts Within the State			
Special Education Millage	60,415	60,415	73,390
Other Transfers	312,733	315,963	292,778
Insurance Reimbursement	0	0	91,724
Prior Period Adjustment	17,940	17,940	24,470
Total Other Transactions	391,088	394,318	482,362
TOTAL REVENUES	\$ 13,867,759	\$ 12,904,657	\$ 12,516,275

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

<u>INSTRUCTION</u>	<u>2024</u>		<u>2023</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Basic Programs</u>			
<u>Elementary</u>			
Salaries	\$ 664,437	\$ 664,009	\$ 680,539
Employee Benefits	516,476	504,514	613,431
Purchased Services	47,005	48,087	52,407
Supplies and Materials	50,672	50,893	50,723
Other Expense	2,000	1,627	249
Total Elementary	<u>1,280,590</u>	<u>1,269,130</u>	<u>1,397,349</u>
<u>Middle School</u>			
Salaries	937,966	930,285	840,269
Employee Benefits	742,845	744,008	748,043
Purchased Services	7,592	7,523	36,004
Supplies and Materials	28,105	30,807	124,709
Other Expense	1,829	1,244	1,211
Total Middle School	<u>1,718,337</u>	<u>1,713,867</u>	<u>1,750,236</u>
<u>High School</u>			
Salaries	923,361	923,430	684,626
Employee Benefits	744,630	744,578	580,882
Purchased Services	151,592	145,462	202,482
Supplies and Materials	62,102	62,659	86,710
Other Expense	2,871	1,933	2,177
Total High School	<u>1,884,556</u>	<u>1,878,062</u>	<u>1,556,877</u>
<u>Preschool</u>			
Salaries	255,403	221,466	184,706
Employee Benefits	221,339	187,428	147,552
Purchased Services	29,193	19,783	31,219
Supplies and Materials	23,767	21,592	24,824
Other Expense	0	0	2,960
Total Preschool	<u>529,702</u>	<u>450,269</u>	<u>391,261</u>

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	2024		2023
	BUDGET	ACTUAL	ACTUAL
<u>Summer School</u>			
Purchased Services	80,200	13,794	19,821
Supplies and Materials	5,200	1,666	0
Total Summer School	85,400	15,460	19,821
<u>Added Needs</u>			
<u>Special Education</u>			
Salaries	369,522	369,521	318,995
Employee Benefits	291,254	290,625	236,317
Purchased Services	6,202	6,202	4,211
Supplies and Materials	5,843	5,115	6,973
Other Expense	1,017	17	199
Total Special Education	673,838	671,480	566,695
<u>Compensatory Education</u>			
Salaries	385,769	385,136	449,482
Employee Benefits	286,132	283,151	321,153
Purchased Services	359,055	0	5,392
Supplies and Materials	0	0	2,771
Capital Outlay	7,750	7,750	0
Other Expense	0	0	35,752
Total Compensatory Education	1,038,706	676,037	814,550
TOTAL INSTRUCTION	7,211,129	6,674,305	6,496,789
<u>SUPPORTING SERVICES</u>			
<u>Pupil</u>			
<u>Truancy/Absenteeism Services</u>			
Salaries	25,093	25,093	23,678
Employee Benefits	23,002	22,850	21,143
Total Truancy/Absenteeism Services	48,095	47,943	44,821
<u>Guidance Services</u>			
Salaries	195,610	194,203	184,796
Employee Benefits	157,692	154,927	154,675
Supplies and Materials	0	0	122
Other Expense	1,911	1,911	1,285
Total Guidance Services	355,213	351,041	340,878

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	2024		2023
	BUDGET	ACTUAL	ACTUAL
<u>Health Services</u>			
Purchased Services	3,033	3,689	0
<u>Social Work Services</u>			
Salaries	177,353	110,903	90,445
Employee Benefits	121,620	79,696	68,146
Purchased Services	2,000	1,883	0
Supplies and Materials	818	89	972
Total Social Work Services	301,791	192,571	159,563
<u>Other Pupil Services</u>			
Salaries	71,523	52,557	59,878
Employee Benefits	52,375	36,124	44,787
Purchased Services	80,722	83,617	73,130
Supplies and Materials	5,189	3,507	0
Total Other Pupil Services	209,809	175,805	177,795
<u>Instructional Staff</u>			
<u>Improvement of Instruction</u>			
Salaries	225,309	218,541	101,070
Employee Benefits	183,210	175,752	92,000
Purchased Services	13,268	2,001	1,981
Total Improvement of Instruction	421,787	396,294	195,051
<u>Education Media Services</u>			
Salaries	33,078	31,839	22,190
Employee Benefits	19,932	19,828	17,018
Supplies and Materials	9,300	8,870	6,117
Total Education Media Services	62,310	60,537	45,325
<u>Instruction Related Technology</u>			
Supplies and Materials	19,770	19,770	0

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	<u>2024</u>		<u>2023</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Supervision/Direction of Instruction</u>			
Salaries	33,723	26,220	54,464
Employee Benefits	27,199	21,494	44,366
Purchased Services	28,085	7,881	0
Total Supervision/Direction of Instruction	<u>89,007</u>	<u>55,595</u>	<u>98,830</u>
 <u>Academic Student Assessment</u>			
Supplies and Materials	<u>10,575</u>	<u>10,529</u>	<u>10,935</u>
 <u>General Administration</u>			
<u>Board of Education</u>			
Salaries	1,700	1,700	1,500
Employee Benefits	159	302	137
Purchased Services	90,218	85,409	65,074
Other Expense	5,249	5,249	4,834
Total Board of Education	<u>97,326</u>	<u>92,660</u>	<u>71,545</u>
 <u>Executive Administration</u>			
Salaries	186,313	186,287	174,685
Employee Benefits	132,669	132,614	144,278
Purchased Services	11,649	10,917	5,752
Supplies and Materials	2,500	931	820
Total Executive Administration	<u>333,131</u>	<u>330,749</u>	<u>325,535</u>
 <u>School Administration</u>			
<u>Office of the Principal</u>			
Salaries	425,568	425,569	394,515
Employee Benefits	315,931	315,781	365,964
Purchased Services	31,756	30,636	26,751
Supplies and Materials	6,226	6,214	15,668
Other Expense	163	163	0
Total Office of the Principal	<u>779,644</u>	<u>778,363</u>	<u>802,898</u>
 <u>Other School Administration</u>			
Supplies and Materials	<u>2,571</u>	<u>2,590</u>	<u>2,081</u>

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	<u>2024</u>		<u>2023</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Business</u>			
<u>Fiscal Services</u>			
Salaries	149,900	149,834	139,584
Employee Benefits	114,571	114,533	125,679
Purchased Services	4,273	3,855	3,292
Supplies and Materials	1,500	1,139	2,395
Other Expense	150	150	300
Total Fiscal Services	<u>270,394</u>	<u>269,511</u>	<u>271,250</u>
<u>Other Business Services</u>			
Purchased Services	18,539	18,539	17,735
Other Expense	11,000	10,861	10,675
Total Other Business Services	<u>29,539</u>	<u>29,400</u>	<u>28,410</u>
<u>Operation and Maintenance</u>			
<u>Operating Buildings Services</u>			
Salaries	72,543	71,957	107,559
Employee Benefits	53,336	53,106	95,045
Purchased Services	939,087	808,758	846,862
Supplies and Materials	439,818	410,161	369,107
Capital Outlay	50,000	49,254	162,943
Other Expense	9,865	10,387	9,602
Total Operating Building Services	<u>1,564,649</u>	<u>1,403,623</u>	<u>1,591,118</u>
<u>Security Services</u>			
Purchased Services	49,000	10,000	0
Supplies and Materials	57,750	8,910	69,509
Capital Outlay	1,746	1,747	20,272
Total Security Services	<u>108,496</u>	<u>20,657</u>	<u>89,781</u>
<u>Pupil Transportation Services</u>			
Salaries	236,585	231,673	218,642
Employee Benefits	212,033	210,117	250,163
Purchased Services	184,035	154,127	131,049
Supplies and Materials	96,764	88,207	108,467
Capital Outlay	0	0	47,845
Other Expense	3,000	2,048	7,373
Total Pupil Transportation Services	<u>732,417</u>	<u>686,172</u>	<u>763,539</u>

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	<u>2024</u>		<u>2023</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Central Support Services</u>			
<u>Communication Services</u>			
Salaries	13,554	10,150	12,348
Employee Benefits	10,588	7,935	9,769
Total Communication Services	<u>24,142</u>	<u>18,085</u>	<u>22,117</u>
<u>Staff Services</u>			
Salaries	13,500	13,500	13,399
Employee Benefits	9,735	9,735	9,690
Purchased Services	2,571	1,638	1,754
Other Expense	6,704	4,320	6,386
Total Staff Services	<u>32,510</u>	<u>29,193</u>	<u>31,229</u>
<u>Technology</u>			
Salaries	6,273	6,717	5,920
Employee Benefits	5,719	5,746	6,061
Purchased Services	178,053	173,243	161,762
Supplies and Materials	22,000	18,544	69,071
Capital Outlay	38,387	36,854	0
Total Technology	<u>250,432</u>	<u>241,104</u>	<u>242,814</u>
<u>Other Support Services</u>			
<u>Pupil Activities</u>			
Salaries	3,000	3,000	2,500
Employee Benefits	1,635	1,635	1,349
Purchased Services	3,245	3,245	10,836
Supplies and Materials	3,531	3,531	1,912
Total Other Support Services	<u>11,411</u>	<u>11,411</u>	<u>16,597</u>
<u>Athletic Activities</u>			
Salaries	83,611	83,611	78,562
Employee Benefits	43,211	43,190	38,896
Purchased Services	43,719	43,720	34,664
Supplies and Materials	97,945	89,092	34,145
Capital Outlay	24,075	8,700	16,823
Other Expense	20,752	18,602	22,717
Total Athletic Activities	<u>313,313</u>	<u>286,915</u>	<u>225,807</u>

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	<u>2024</u>		<u>2023</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Other Support Services</u>			
Supplies and Materials	488	488	196
Total Other Support Services	488	488	196
TOTAL SUPPORTING SERVICES	6,071,853	5,514,695	5,558,115
<u>COMMUNITY SERVICES</u>			
<u>Community Recreation</u>			
Purchased Services	9,000	4,500	0
Supplies and Materials	108	152	0
Total Community Recreation	9,108	4,652	0
<u>Community Activities</u>			
Supplies and Materials	1,565	487	772
Other Expense	1,000	525	0
Total Community Activities	2,565	1,012	772
<u>Custody and Care of Children</u>			
Purchased Services	1,350	0	3,650
Total Custody and Care of Children	1,350	0	3,650
TOTAL COMMUNITY SERVICES	13,023	5,664	4,422
<u>FACILITIES ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS</u>			
<u>Site Improvement Services</u>			
Supplies and Materials	1,375	1,375	0
Other Expense	1,375	1,375	0
Total Site Improvement Services	2,750	2,750	0
<u>PRIOR PERIOD ADJUSTMENTS</u>			
Other Expense	20,000	17,725	5,446
<u>PAYMENTS TO OTHER K-12 DISTRICTS</u>			
Other Transactions	25,333	22,734	19,096
TOTAL EXPENDITURES	\$ 13,344,088	\$ 12,237,873	\$ 12,083,868

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Restricted Assets - Cash	\$ 36,443	\$ 148,661
Restricted Assets - Investments	8,688,030	17,205,774
	<hr/>	<hr/>
TOTAL ASSETS	\$ 8,724,473	\$ 17,354,435
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 504,051	\$ 165,105
Retainage Payable	676,389	0
	<hr/>	<hr/>
TOTAL LIABILITIES	1,180,440	165,105
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Restricted for Capital Projects	7,544,033	17,189,330
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,724,473	\$ 17,354,435
	<hr/> <hr/>	<hr/> <hr/>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30,

	2024	2023
<u>REVENUES</u>		
Local Sources		
Earnings on Investments and Deposits	\$ 735,360	\$ 306,482
<u>EXPENDITURES</u>		
Supporting Services		
Support Services Business		
Other Expense	0	1,221
Pupil Transportation Services		
Capital Outlay	0	239,152
Central Support Services - Technology		
Supplies and Materials	41,442	91,643
Capital Outlay	176,959	0
Facilities Acquisition, Construction, and Improvements		
Site Improvement Services		
Capital Outlay	16,126	0
Building Improvements Services		
Capital Outlay	10,145,630	1,123,447
Debt Service		
Bond Issuance Costs	500	145,694
Total Expenditures	10,380,657	1,601,157
Excess of Revenues Over (Under) Expenditures	(9,645,297)	(1,294,675)
<u>OTHER FINANCING SOURCES (USES)</u>		
Premium on Bonds Issued	0	2,144,005
Face Value of Debt	0	16,340,000
Total Other Financing Sources (Uses)	0	18,484,005
Net Change in Fund Balance	(9,645,297)	17,189,330
<u>FUND BALANCE</u> - Beginning of Year	17,189,330	0
<u>FUND BALANCE</u> - End of Year	\$ 7,544,033	\$ 17,189,330

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

FOOD SERVICE FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 164,702	\$ 182,949
Accounts Receivable	50,192	50,125
Due from Other Governments	44,123	37,968
Inventory	13,609	9,733
	<hr/>	<hr/>
TOTAL ASSETS	\$ 272,626	\$ 280,775
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 35,678	\$ 46,357
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Nonspendable, Inventory	13,609	9,733
Restricted for Food Service	223,339	224,685
	<hr/>	<hr/>
Total Fund Balance	236,948	234,418
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 272,626	\$ 280,775
	<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, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	2024		2023
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Local Sources			
Earnings on Investments and Deposits	\$ 1,000	\$ 1,000	\$ 1,027
Food Sales to Adults	9,500	9,617	10,566
Ala-Carte Sales and Milk Sales	10,000	9,940	8,218
Other Income	39,000	40,115	39,283
State Sources			
State Aid	33,012	33,032	32,166
Local Produce in School Meals	10,000	10,000	20,966
Federal Sources			
School Breakfast Program	167,000	167,324	173,341
School Lunch Program	459,000	458,788	480,583
School Lunch Program - Supply Chain Assistance	27,419	27,419	34,091
U.S.D.A. Commodities	55,400	56,375	50,466
U.S.D.A. Commodities - Bonus	422	422	9,245
Summer Food Service Program for Children	22,351	24,437	19,349
Child and Adult Care Food Program	36,000	38,191	62,954
Team Nutrition	7,957	7,957	0
Healthy Meals Incentive	9,774	3,446	0
Local Food for Schools Cooperative	0	0	4,904
Other Transactions			
Prior Period Adjustment	6,621	6,621	0
Total Revenues	<u>894,456</u>	<u>894,684</u>	<u>947,159</u>
<u>EXPENDITURES</u>			
Food Service Activities			
Purchased Services	440,425	483,781	532,044
Supplies and Materials	442,915	404,849	481,087
Other Expense	5,001	3,524	6,454
Total Expenditures	<u>888,341</u>	<u>892,154</u>	<u>1,019,585</u>
Excess of Revenues Over (Under) Expenditures	6,115	2,530	(72,426)
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from the Sale of Capital Assets	0	0	6,000
Net Change in Fund Balance	6,115	2,530	(66,426)
<u>FUND BALANCE</u> - Beginning of Year	<u>234,418</u>	<u>234,418</u>	<u>300,844</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 240,533</u>	<u>\$ 236,948</u>	<u>\$ 234,418</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

LATCHKEY FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 746,592	\$ 656,343
Accounts Receivable	5,847	5,478
Due from Other Governmental Units	18,103	11,605
Prepaid Expenditures	460	137
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 771,002</u>	<u>\$ 673,563</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	<u>\$ 7,798</u>	<u>\$ 5,265</u>
 <u>FUND BALANCE</u>		
Nonspendable, Prepaid Expenditures	460	137
Assigned for Custody and Care of Children	762,744	668,161
	<hr/>	<hr/>
Total Fund Balance	<u>763,204</u>	<u>668,298</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 771,002</u>	<u>\$ 673,563</u>

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

LATCHKEY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	2024		2023
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Local Sources			
Earnings on Investments and Deposits	\$ 2,800	\$ 2,852	\$ 2,256
Charges for Child Care Services			
Private Pay			
Children, Infants and Toddlers	100,000	101,339	80,122
Northwest Michigan Community Action Agency	140,000	143,316	130,191
Miscellaneous	1,000	1,000	830
State Sources			
Michigan Family Independence Agency			
Children, Infants and Toddlers	200,000	202,444	131,612
Federal Sources			
Child Development and Care Block Grant	0	0	89,085
Other Transactions			
Other Local Revenue	1,745	1,745	0
Total Revenues	<u>445,545</u>	<u>452,696</u>	<u>434,096</u>
<u>EXPENDITURES</u>			
Custody and Care of Children			
Children, Infants and Toddlers			
Salaries	22,168	22,168	19,051
Employee Benefits	14,882	14,676	11,527
Purchased Services	296,605	301,537	305,784
Supplies and Materials	5,000	4,394	4,549
Other Expenditures	20,000	15,015	14,013
Total Expenditures	<u>358,655</u>	<u>357,790</u>	<u>354,924</u>
Excess of Revenues Over (Under) Expenditures	86,890	94,906	79,172
<u>FUND BALANCE</u> - Beginning of Year	<u>668,298</u>	<u>668,298</u>	<u>589,126</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 755,188</u>	<u>\$ 763,204</u>	<u>\$ 668,298</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

SCHOOL ACTIVITIES FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 200,336	\$ 211,288
Due from Other Funds	1,191	0
	<hr/>	<hr/>
TOTAL ASSETS	\$ 201,527	\$ 211,288
	<hr/> <hr/>	<hr/> <hr/>
<u>FUND BALANCE</u>		
Assigned for Student Activities	\$ 201,527	\$ 211,288
	<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, 2024

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2023

	2024		2023
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Local Sources			
Other Student Activity Income	\$ 200,500	\$ 201,886	\$ 157,824
<u>EXPENDITURES</u>			
Other Support Services			
Other Student/School Activity Expenditures	220,000	211,647	118,382
Excess of Revenues Over (Under) Expenditures	(19,500)	(9,761)	39,442
<u>FUND BALANCE</u> - Beginning of Year	211,288	211,288	171,846
<u>FUND BALANCE</u> - End of Year	\$ 191,788	\$ 201,527	\$ 211,288

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2015 DEBT RETIREMENT FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2024</u>		<u>2023</u>
<u>ASSETS</u>			
Cash	\$ 0	\$	0
	<hr/>		
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>	\$ 0	\$	0
	<hr/>		
<u>FUND BALANCE</u>			
Restricted for Debt Retirement	0		0
	<hr/>		
TOTAL LIABILITIES AND FUND BALANCE	\$ 0	\$	0
	<hr/>		

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>REVENUES</u>		
Local Sources		
Property Taxes	\$ 0	\$ 797,140
Interest on Delinquent Taxes	0	2,957
Earnings on Investments and Deposits	0	15,842
State Sources		
Payments in Lieu of Tax		
Commercial Forest and DNR	0	4,559
Total Revenues	0	820,498
<u>EXPENDITURES</u>		
Debt Service		
Redemption of Principal	0	745,000
Interest and Fees	0	19,125
Taxes Abated and Written Off	0	119
Total Expenditures	0	764,244
Excess of Revenues Over (Under) Expenditures	0	56,254
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfer Out	0	(123,455)
Net Change in Fund Balance	0	(67,201)
<u>FUND BALANCE</u> - Beginning of Year	0	67,201
<u>FUND BALANCE</u> - End of Year	\$ 0	\$ 0

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2017 BUS & TECHNOLOGY DEBT RETIREMENT FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 0
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Debt Retirement	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 0	\$ 0

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>2024</u>	<u>2023</u>
<u>REVENUES</u>		
Local Sources		
Property Taxes	\$ 0	\$ 338,850
Interest on Delinquent Taxes	0	1,257
Earnings on Investments and Deposits	0	6,335
State Sources		
Payments in Lieu of Tax		
Commercial Forest and DNR	0	1,938
Total Revenues	<u>0</u>	<u>348,380</u>
 <u>EXPENDITURES</u>		
Debt Service		
Bond Principal	0	315,000
Interest and Fees	0	9,949
Taxes Abated and Written Off	0	34
Total Expenditures	<u>0</u>	<u>324,983</u>
Excess of Revenues Over (Under) Expenditures	0	23,397
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)	0	(48,557)
Net Change in Fund Balance	0	(25,160)
<u>FUND BALANCE</u> - Beginning of Year	<u>0</u>	<u>25,160</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 0</u>	<u>\$ 0</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 DEBT RETIREMENT FUND
BALANCE SHEET

JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 198,927	\$ 172,012
Due from Other Funds	1,545	0
	<u>\$ 200,472</u>	<u>\$ 172,012</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Debt Retirement	<u>200,472</u>	<u>172,012</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 200,472</u>	<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>2024</u>	<u>2023</u>
<u>REVENUES</u>		
Local Sources		
Property Taxes	\$ 1,237,418	\$ 0
Interest on Delinquent Taxes	3,987	0
Earnings on Investments and Deposits	2,438	0
State Sources		
Payments in Lieu of Tax		
Commercial Forest and DNR	754	0
 Total Revenues	 1,244,597	 0
<u>EXPENDITURES</u>		
Debt Service		
Bond Principal	240,000	0
Interest and Fees	976,092	0
Taxes Abated and Written Off	45	0
 Total Expenditures	 1,216,137	 0
 Excess of Revenues Over (Under) Expenditures	 28,460	 0
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In	0	172,012
 Net Change in Fund Balance	 28,460	 172,012
 <u>FUND BALANCE</u> - Beginning of Year	 172,012	 0
 <u>FUND BALANCE</u> - End of Year	 \$ 200,472	 \$ 172,012

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

SINKING FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 350,710	\$ 288,000
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 1,545	\$ 0
<u>FUND BALANCE</u>		
Restricted for Capital Projects	349,165	288,000
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 350,710	\$ 288,000
	<hr/>	<hr/>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>REVENUES</u>		
Local Sources		
Property Taxes	\$ 165,952	\$ 149,456
Interest on Delinquent Taxes	974	554
Earnings on Investments and Deposits	1,403	994
State Sources		
Payments in Lieu of Tax		
Commercial Forest	101	855
	<hr/>	<hr/>
Total Revenues	168,430	151,859
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Supporting Services		
Operation and Maintenance of Plant		
Purchased Services	107,234	37,726
Taxes Abated and Written Off	31	18
	<hr/>	<hr/>
Total Expenditures	107,265	37,744
	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	61,165	114,115
<u>FUND BALANCE</u> - Beginning of Year	288,000	173,885
	<hr/>	<hr/>
<u>FUND BALANCE</u> - End of Year	\$ 349,165	\$ 288,000
	<hr/> <hr/>	<hr/> <hr/>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

STADIUM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 20,707	\$ 13,175
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Capital Projects	20,707	13,175
TOTAL LIABILITIES AND FUND BALANCE	\$ 20,707	\$ 13,175

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30,

	<u>2024</u>	<u>2023</u>
<u>REVENUES</u>		
Local Sources		
Contributions from Private Sources	\$ 7,508	\$ 875
Earnings on Investments and Deposits	24	17
	<hr/>	<hr/>
Total Revenues	7,532	892
 <u>EXPENDITURES</u>		
Facilities Acquisition	0	0
	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	7,532	892
 <u>FUND BALANCE</u> - Beginning of Year	<hr/> 13,175	<hr/> 12,283
 <u>FUND BALANCE</u> - End of Year	<hr/> <u>\$ 20,707</u>	<hr/> <u>\$ 13,175</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 SCHOOL BUILDING AND SITE BONDS, SERIES I

JUNE 30, 2024

<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		240,000	240,000
<u>BALANCE OUTSTANDING - June 30, 2024</u>	\$		16,100,000

<u>DUE DATES</u>	<u>INTEREST RATE</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
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, 2024

<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
		\$ 26,977,500	\$ 10,877,500	\$ 16,100,000

