



MANCELONA PUBLIC SCHOOLS

REPORT ON FINANCIAL STATEMENTS

JUNE 30, 2025

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

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MANCELONA PUBLIC SCHOOLS
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, 2025, 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, 2025, 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.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

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 48-54 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 8, 2025, 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 8, 2025

**Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2025**

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, Mancelona Educational Foundation and Powerschool is also important to the District's achievement.

"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, 2025. 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 \$4,026,748. Of this amount, capital assets net of related debt was \$10,533,825.
- The government's total net position increased by \$3,213,475.

Fund Level

- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$7,935,150, a decrease of \$5,818,748 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,435,007.

**Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2025**

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, 2025**

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. The prior year has not been restated to include the new GASB No. 101 Standards—*Compensated Absences*:

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets	\$ 9,901,063	\$ 16,972,861
Non Current Assets	<u>28,668,910</u>	<u>20,919,675</u>
TOTAL ASSETS	<u>38,569,973</u>	<u>37,892,536</u>
Deferred Outflows of Resources	<u>4,156,037</u>	<u>5,531,860</u>
Liabilities		
Current Liabilities	2,765,717	3,803,130
Non Current Liabilities	<u>28,916,147</u>	<u>32,931,867</u>
TOTAL LIABILITIES	<u>31,681,864</u>	<u>36,734,997</u>
Deferred Inflows of Resources	<u>7,017,398</u>	<u>5,628,187</u>
Net Position		
Net Investment in Capital Assets	10,533,825	10,127,130
Restricted	2,886,006	930,757
Unrestricted - (Deficit)	<u>(9,393,083)</u>	<u>(9,996,675)</u>
TOTAL NET POSITION	<u>\$ 4,026,748</u>	<u>\$ 1,061,212</u>

Analysis of Financial Position

During the fiscal year ended June 30, 2025, the District's net position increased by \$3,213,475. 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, 2025**

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, 2025, \$690,817 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 liability and OPEB asset increases or decreases in any given year. For the year ended June 30, 2025, the District reported an increase in net position related to GASB 68 and 75, which indicates that the District's proportionate share of the net pension and other postemployment benefits liability has decreased by that amount.

3. Capital Outlay Acquisitions

For the fiscal year ended June 30, 2025, \$6,763,492 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 \$5,954,463 for the fiscal year ended June 30, 2025.

Change in Net Position

The following schedule summarizes the results of operations, on a district-wide basis, for the fiscal year ended June 30. The prior year has not been restated to include the new GASB No. 101 Standards—*Compensated Absences*:

	2025	2024
General Revenue		
Property Taxes	\$ 6,191,566	\$ 5,562,385
Investment Earnings	486,637	996,115
State Sources	3,439,705	3,918,025
Gain on Sale of Capital Assets	0	45,000
Other	247,974	218,223
Total General Revenues	10,365,882	10,739,748
Program Revenues		
Charges for Services	335,386	364,436
Operating Grants and Contributions	5,145,111	5,828,661
Capital Grants and Contributions	109,403	0
Total Program Revenues	5,589,900	6,193,097
Total Revenues	15,955,782	16,932,845

Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>
Expenses		
Instruction	4,505,538	5,829,129
Supporting Services	5,447,412	5,235,858
Food Service Activities	895,996	892,154
Custody and Care of Children	458,889	352,908
Community Services	9,378	5,664
Prior Period Adjustment	12	17,725
Interest on Long-Term Debt	714,416	738,379
Bond Issuance Costs	500	500
Other Transactions	19,349	22,810
Unallocated Depreciation	<u>690,817</u>	<u>908,698</u>
Total Expenses	<u>12,742,307</u>	<u>14,003,825</u>
Change in Net Position	<u>\$ 3,213,475</u>	<u>\$ 2,929,020</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:

	2025	2024	Increase (Decrease)
Major Fund			
General Fund	\$ 4,529,740	\$ 4,437,842	\$ 91,898
2023 Capital Projects	1,456,931	7,544,033	(6,087,102)
Nonmajor Funds			
Food Service	234,306	236,948	(2,642)
Latchkey	763,991	763,204	787
School Activities	221,796	201,527	20,269
2023 Debt Retirement	192,522	200,472	(7,950)
Sinking Capital Projects	515,123	349,165	165,958
Stadium Capital Projects	<u>20,741</u>	<u>20,707</u>	<u>34</u>
Total Governmental Funds	<u>\$ 7,935,150</u>	<u>\$ 13,753,898</u>	<u>\$ (5,818,748)</u>

The increase in the General Fund balance was primarily attributed to higher-than-expected student enrollment, greater interest income, increased transportation funding allocations, reimbursements for retirement costs, and timber revenue generated from a harvest conducted on school-owned property.

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

The Food Service Fund balance decreased primarily due to increased food costs and additional supply purchases aimed at enhancing the program and boosting student participation.

**Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2025**

The Latchkey Fund balance increased primarily due to a higher number of families qualifying for reimbursements from the Department of Health and Human Services (DHHS). Additional revenue was also received from a new MILEAP grant (Michigan Department of Lifelong Education, Advancement, and Potential), which supports access to affordable childcare for families.

The School Activities Fund increased due to revenues exceeding expenditures for fundraisers and events.

The 2023 Debt Retirement Fund balance decreased as debt service payments exceeded current year tax revenues, requiring the use of prior year tax receipts held in reserve.

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

The Stadium Capital Projects Fund experienced minimal change during the year, as expenditures were limited in preparation for a significant future improvement project at the fieldhouse.

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 2024-2025 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	<u>\$ 11,741,901</u>	<u>\$ 12,915,119</u>	<u>\$ 12,303,722</u>
Expenditures			
Instruction	\$ 6,820,300	\$ 6,738,956	\$ 6,221,875
Supporting Services	5,116,944	6,130,408	5,961,818
Community Services	1,000	10,259	9,378
Prior Period Adjustments	50,000	8,000	12
Other Transactions	21,000	20,500	18,741
Total Expenditures	<u>\$ 12,009,244</u>	<u>\$ 12,908,123</u>	<u>\$ 12,211,824</u>

The original revenue budget of \$11,741,901 was increased to \$12,915,119 as a result of higher than anticipated student enrollment, new grant opportunities, additional retirement offset funding, and increased Medicaid reimbursements from our ISD. Locally, the District earned significant interest on cash and investments and received timber revenue from a harvest conducted on one of the school's properties.

The expenditure budget of \$12,009,244 was increased to \$12,908,123 to match additional grant expenditures, new security camera system, 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, 2025**

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2025, amounted to \$26,602,897 (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)**

	2025	2024
Land and Improvements	\$ 422,102	\$ 387,830
Buildings and Additions	13,030,292	7,965,358
Machinery and Equipment	736,472	370,957
Transportation Equipment	470,088	489,745
Construction in Progress	11,943,943	11,434,544
 Total Capital Assets	 \$ 26,602,897	 \$ 20,648,434

Additions to capital assets included:

- Building improvements and upgrades in the amount of \$5,997,819.
- HVAC project in the amount of \$99,061.
- Chain-link fence in the amount of \$37,057.
- Wayfinding signs in the amount of \$27,940.
- Pavilion in the amount of \$25,985.
- Minisplit air unit in the amount of \$6,700.
- Batting cage in the amount of \$15,375.
- Field painter in the amount of \$9,200.
- Verkada camera system in the amount of \$312,461
- Walk-in cooler and roof condenser in the amount of \$35,397.
- Hobart mixer in the amount of \$9,315.
- Vulcan gas tilting skillet in the amount of \$28,425.
- Vulcan gas convection oven in the amount of \$10,257.
- 2025 Special Needs bus in the amount of \$148,500.

Disposals to capital assets included:

- Drainfield
- Video surveillance upgrades
- Track
- Wrestling mats
- Steam kettle
- Bus

In addition to the above, the District committed to various building and land improvement projects. In total the contracted amount for these projects is \$13,676,665. As of June 30, 2025, \$11,753,071 has been spent and \$70,563 has been accrued as retainage and the District has a remaining commitment of \$1,853,031.

**Mancelona Public Schools
Mancelona, Michigan
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2025**

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

Long-Term Obligations

At year-end, the District had \$29,585,534 in long-term obligations outstanding. This represents a net decrease of \$3,954,938 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 remains a significant concern due to a declining student population, driven by limited affordable housing and employment opportunities in the area. Additionally, the District has experienced student losses to alternative educational options, including online and homeschooling programs, trends that have been influenced by the ongoing effects of the pandemic.
- The delayed approval of the state budget continues to present challenges for timely and effective financial planning. Additionally, proposed legislation to increase the medical benefit cap rates is a significant concern, as it could substantially impact the District's financial position.
- 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 anticipation of increased wages and benefit costs, as all employee contracts that expire August 31, 2025, are currently under negotiation.
- 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, 2025

	GOVERNMENTAL ACTIVITIES
ASSETS	
CURRENT ASSETS	
Cash	\$ 2,316,501
Accounts Receivable	59,735
Due from Other Governmental Units	1,201,607
Inventory	55,191
Prepaid Expense	8,312
Investments	4,256,944
Restricted Assets - Cash	16,188
Restricted Assets - Investments	<u>1,986,585</u>
 Total Current Assets	 <u>9,901,063</u>
NONCURRENT ASSETS	
Capital Assets (Net of Accumulated Depreciation)	
Assets Not Being Depreciated	12,062,656
Assets Being Depreciated	14,540,241
Net Other Postemployment Benefits Asset	<u>2,066,013</u>
 Total Noncurrent Assets	 <u>28,668,910</u>
TOTAL ASSETS	 <u>38,569,973</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	3,520,940
Deferred Outflows Related to Other Postemployment Benefits	<u>635,097</u>
 TOTAL DEFERRED OUTFLOWS OF RESOURCES	 <u>4,156,037</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	569,834
Retainage Payable	74,373
Accrued Expenses	391,677
Accrued Interest Payable	130,417
Salaries Payable	572,400
Unearned Revenue	357,629
Current Portion of Noncurrent Liabilities	<u>669,387</u>
 Total Current Liabilities	 <u>2,765,717</u>

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

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2025

GOVERNMENTAL
ACTIVITIES

<u>NONCURRENT LIABILITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
Bonds Payable-Net	17,526,003
Compensated Absences	326,209
Net Pension Liability	11,733,322
Less Current Portion of Noncurrent Liabilities	(669,387)
 Total Noncurrent Liabilities	 28,916,147
 TOTAL LIABILITIES	 31,681,864
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows Related to Pensions	4,186,377
Deferred Inflows Related to Other Postemployment Benefits	2,831,021
 TOTAL DEFERRED INFLOWS OF RESOURCES	 7,017,398
<u>NET POSITION</u>	
Net Investment in Capital Assets	10,533,825
Restricted for:	
Capital Projects	535,864
Debt Service	62,105
Food Service	222,024
Net Other Postemployment Benefits Asset	2,066,013
Unrestricted - (Deficit)	(9,393,083)
 TOTAL NET POSITION	 \$ 4,026,748

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

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				GOVERNMENTAL ACTIVITIES	
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	NET (EXPENSE)	REVENUE AND CHANGES IN NET POSITION
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION	
<u>GOVERNMENTAL ACTIVITIES</u>						
Instruction	\$ 4,505,538	\$ 0	\$ 2,204,793	\$ 0	\$ (2,300,745)	
Supporting Services	5,447,412	66,144	1,802,013	36,703	(3,542,552)	
Food Service Activities	895,996	69,453	833,988	72,700	80,145	
Custody and Care of Children	458,889	199,789	231,454	0	(27,646)	
Community Services	9,378	0	7,937	0	(1,441)	
Prior Period Adjustments	12	0	64,926	0	64,914	
Interest on Long-Term Debt	714,416	0	0	0	(714,416)	
Bond Issuance Costs	500	0	0	0	(500)	
Other Transactions	19,349	0	0	0	(19,349)	
Unallocated Depreciation	690,817	0	0	0	(690,817)	
Total Governmental Activities	<u>\$ 12,742,307</u>	<u>\$ 335,386</u>	<u>\$ 5,145,111</u>	<u>\$ 109,403</u>	<u>(7,152,407)</u>	
<u>GENERAL REVENUES</u>						
Property Taxes - General Purposes					4,769,600	
Property Taxes - Debt Service					1,243,637	
Property Taxes - Sinking Fund					178,329	
Investment Earnings					486,637	
State Sources					3,439,705	
Other					<u>247,974</u>	
Total General Revenues					<u>10,365,882</u>	
Change in Net Position					<u>3,213,475</u>	
<u>NET POSITION</u> - Beginning of Year, as previously presented					<u>1,061,212</u>	
Adjustments to Beginning Net Position					<u>(247,939)</u>	
<u>NET POSITION</u> - Beginning of Year, as restated					<u>813,273</u>	
<u>NET POSITION</u> - End of Year					<u>\$ 4,026,748</u>	

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

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2025

	2023		OTHER		TOTAL GOVERNMENTAL FUNDS	
	GENERAL FUND	CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS			
<u>ASSETS</u>						
Cash	\$ 471,804	\$ 0	\$ 1,844,697	\$ 2,316,501		
Accounts Receivable	1,868	0	57,867	59,735		
Due from Other Governmental Units	1,125,267	0	76,340	1,201,607		
Inventory	42,909	0	12,282	55,191		
Prepaid Expenditures	7,089	0	1,223	8,312		
Investments	4,256,944	0	0	4,256,944		
Restricted Assets - Cash	0	16,188	0	16,188		
Restricted Assets - Investments	0	1,986,585	0	1,986,585		
TOTAL ASSETS	\$ 5,905,881	\$ 2,002,773	\$ 1,992,409	\$ 9,901,063		
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ 55,451	\$ 471,469	\$ 42,914	\$ 569,834		
Retainage Payable	0	74,373	0	74,373		
Accrued Expenditures	391,677	0	0	391,677		
Salaries Payable	571,384	0	1,016	572,400		
Unearned Revenue	357,629	0	0	357,629		
Total Liabilities	1,376,141	545,842	43,930	1,965,913		
<u>FUND BALANCES</u>						
Nonspendable:						
Inventory	42,909	0	12,282	55,191		
Prepaid Expenditures	7,089	0	1,223	8,312		
Restricted for:						
Debt Service	0	0	192,522	192,522		
Capital Projects	0	1,456,931	535,864	1,992,795		
Food Service	0	0	222,024	222,024		
Assigned for:						
Custody and Care of Children	0	0	762,768	762,768		
Student Activities	0	0	221,796	221,796		
Subsequent Year's Budget Shortfall	44,735	0	0	44,735		
Unassigned	4,435,007	0	0	4,435,007		
Total Fund Balances	4,529,740	1,456,931	1,948,479	7,935,150		
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,905,881	\$ 2,002,773	\$ 1,992,409	\$ 9,901,063		

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, 2025

Total Governmental Fund Balances \$ 7,935,150

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	\$ 40,119,038
Accumulated depreciation is	<u>(13,516,141)</u>
	26,602,897

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

Net Other Postemployment Benefits Asset	2,066,013
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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)	(1,876,003)
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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	(15,650,000)
Compensated Absences	(326,209)
Net Pension Liability	(11,733,322)

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	3,520,940
Deferred inflows of resources - related to pensions	(4,186,377)
Deferred outflows of resources - related to other postemployment benefits	635,097
Deferred inflows of resources - related to other postemployment benefits	(2,831,021)

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

(130,417)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,026,748

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, 2025

	2023	OTHER		
	GENERAL	CAPITAL	NONMAJOR	TOTAL
	FUND	FUND	GOVERNMENTAL	GOVERNMENTAL
<u>REVENUES</u>				
Local Sources	\$ 5,218,725	\$ 203,385	\$ 1,900,906	\$ 7,323,016
State Sources	6,134,651	0	263,443	6,398,094
Federal Sources	471,964	0	865,753	1,337,717
Other Transactions	478,382	0	4,038	482,420
Total Revenues	12,303,722	203,385	3,034,140	15,541,247
<u>EXPENDITURES</u>				
Instruction				
Basic Programs	4,951,174	0	0	4,951,174
Added Needs	1,270,701	0	0	1,270,701
Supporting Services				
Pupil	706,738	0	0	706,738
Instructional Staff	473,324	0	0	473,324
General Administration	466,566	0	0	466,566
School Administration	796,637	0	0	796,637
Business	310,383	25	0	310,408
Operation and Maintenance	1,904,025	0	15,119	1,919,144
Pupil Transportation Services	730,658	148,500	0	879,158
Central Support Services	253,537	11,807	0	265,344
Other Support Services	319,950	0	176,357	496,307
Food Service Activities	0	0	979,390	979,390
Custody and Care of Children	0	0	428,710	428,710
Community Services	9,378	0	0	9,378
Facilities Acquisition, Construction, and Improvements	0	6,129,655	0	6,129,655
Prior Period Adjustments	12	0	0	12
Debt Service				
Principal	0	0	450,000	450,000
Interest	0	0	807,500	807,500
Bond Issuance Costs	0	500	0	500
Other Transactions	18,741	0	608	19,349
Total Expenditures	12,211,824	6,290,487	2,857,684	21,359,995
Excess (Deficiency) of Revenues Over Expenditures	91,898	(6,087,102)	176,456	(5,818,748)
FUND BALANCE - Beginning of Year	4,437,842	7,544,033	1,772,023	13,753,898
FUND BALANCE - End of Year	\$ 4,529,740	\$ 1,456,931	\$ 1,948,479	\$ 7,935,150

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, 2025

Net Change in Fund Balances-Total Governmental Funds	\$ (5,818,748)
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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	(690,817)
Capital Outlay	6,763,492
Net Cost of Assets Sold	(118,212)

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	(130,417)
Accrued Interest Payable - Beginning of Year	134,167

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	450,000
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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	431,200
Early Retirement and Compensated Absences - End of Year	(326,209)

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	1,084,859
Change in Other Postemployment Benefit Items	930,291

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	414,535
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,213,475</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, 2025

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 seven 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, 2025

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 fund.

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, 2025

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, 2025

- 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, 2024, or as amended by the School Board of Education throughout the year.

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

1. *Cash and Cash Equivalents*

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

2. *Investments*

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

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

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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/subscription period or the estimated useful lives. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

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

5. *Unearned Revenue*

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

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

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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.

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.

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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, 2025 the foundation allowance was based on pupil membership counts taken in October 2024 and February 2025. For fiscal year ended June 30, 2025, 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 2024 to August 2025. 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.

For the year ended June 30, 2025, 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	2.7000
Sinking Fund - PRE, Non-PRE, Commercial Personal Property	0.3873

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4. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements. The liability for compensated absences includes salary and related benefits, where applicable.

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of June 30, 2025, 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, 2025, the District's bank balance was \$3,263,171 and \$2,621,056 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 \$2,331,689 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, 2025:

	Primary	Government
Cash	\$ 2,316,501	
Investments	4,256,944	
Restricted Cash	16,188	
Restricted Investments	1,986,585	
	<hr/>	<hr/>
	\$ 8,576,218	

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.

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	Fair Value	Weighted Average Maturity (Years)
MILAF External Investment Pool - Max	\$ 3,217,454	N/A
MILAF External Investment Pool - Term	<u>3,026,075</u>	
	<u><u>\$ 6,243,529</u></u>	
Portfolio Weighted Average Maturity		<u><u>N/A</u></u>

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	\$ 3,217,454	AAAm
MILAF External Investment Pool - Term	<u>3,026,075</u>	<u>AAAm</u>
	<u><u>\$ 6,243,529</u></u>	

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

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

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

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

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

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

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

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

	Amortized Cost
MILAF External Investment Pool - Max	<u>\$ 3,217,454</u>
	<u><u>\$ 3,217,454</u></u>

The District holds shares or interests in the Michigan Liquid Asset Fund (MILAF) Term Series, where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The MILAF Term Series includes investments that the District does not control. The investment pool invests primarily in high-quality money market instruments, including certificates of deposit, commercial paper, and U.S. government and agency obligations, to protect the investment principal and provide liquidity.

At the year ended June 30, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investment Type	Fair Value	Unfunded Commitments	Frequency, if Eligible	Redemption Notice Period
MILAF External Investment Pool - Term	<u>\$ 3,026,075</u>	<u>\$ 0</u>	No Restrictions	None
Total	<u><u>\$ 3,026,075</u></u>	<u><u>\$ 0</u></u>		

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B. Receivables

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

	Nonmajor and Other Funds		Total
	General	Funds	Total
Receivables			
Accounts	\$ 1,868	\$ 57,867	\$ 59,735
Due from Other Governmental Units	<u>1,125,267</u>	<u>76,340</u>	<u>1,201,607</u>
Total Receivables	<u><u>\$ 1,127,135</u></u>	<u><u>\$ 134,207</u></u>	<u><u>\$ 1,261,342</u></u>

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

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

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

	Unavailable	Unearned
	\$ 0	\$ 357,629
Grant Receipts Received, But Not Yet Utilized		

C. Capital Assets

Capital assets activity for the year ended June 30, 2025, was as follows:

	Balance	Balance	
	July 1, 2024	Additions	Deletions
Capital Assets not Being Depreciated:			
Land	\$ 118,713	\$ 0	\$ 118,713
Construction in Progress	<u>11,434,544</u>	<u>4,803,157</u>	<u>4,293,758</u>
Total Capital Assets not Being Depreciated	<u><u>11,553,257</u></u>	<u><u>4,803,157</u></u>	<u><u>4,293,758</u></u>
			12,062,656
Capital Assets Being Depreciated			
Land Improvements	963,189	90,982	293,950
Buildings and Additions	18,946,206	5,587,481	90,613
Machinery and Equipment	1,283,575	427,130	33,446
Transportation Equipment	<u>1,116,820</u>	<u>148,500</u>	<u>89,492</u>
Subtotal	<u><u>22,309,790</u></u>	<u><u>6,254,093</u></u>	<u><u>507,501</u></u>
			28,056,382

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	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Less Accumulated Depreciation For:				
Land Improvements	(694,072)	(25,588)	262,828	(456,832)
Buildings and Additions	(10,980,848)	(467,152)	35,218	(11,412,782)
Machinery and Equipment	(912,618)	(61,615)	33,446	(940,787)
Transportation Equipment	(627,075)	(136,462)	57,797	(705,740)
Total Accumulated Depreciation	(13,214,613)	(690,817)	389,289	(13,516,141)
Total Capital Assets Being Depreciated, Net				
	9,095,177	5,563,276	118,212	14,540,241
Capital Assets, Net	\$ 20,648,434	\$ 10,366,433	\$ 4,411,970	\$ 26,602,897

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

Governmental Activities	\$	<u>690,817</u>
Unallocated		

D. Retirement and Post-Employment Benefits

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

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 for the System.

Benefits Provided- Overall

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

<u>Plan Name</u>	<u>Plan Type</u>	<u>Plan Status</u>
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed

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<u>Plan Name</u>	<u>Plan Type</u>	<u>Plan Status</u>
Pension Plus	Hybrid	Closed
Pension Plus 2	Hybrid	Open
Defined Contribution	Defined Contribution	Open

Benefits Provided – Pension

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

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

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

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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 transient 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.

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 Plan 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.

New employees hired between February 1, 2018 and June 30, 2024, are automatically enrolled as members in the Pension Plus 2 plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported

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to IRS, to elect to opt out of the Pension Plus 2 plan and become a qualified participant to the DC plan; if no election is made, they will default to the DC plan. If they elect to opt out of the Pension Plus 2 plan, their participation in the DC plan will be retroactive to their date of hire.

Pension Reform of 2023

On November 29, 2023, the Governor signed Public Act 250 of 2023 into law. New employees hired after June 30, 2024, are automatically enrolled as members in the Pension Plus 2 plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to IRS, to elect to opt out of the Pension Plus 2 plan and become a qualified participant in the DC plan; if no election is made, they will remain in the Pension Plus 2 plan. If they elect to opt out of the Pension Plus 2 plan, their participation in the DC plan will be retroactive to their date of hire.

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.

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

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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.

Pension and OPEB contributions made in the fiscal year ending September 30, 2024, were determined as of the September 30, 2021, actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2021, are amortized over a 15-year period beginning October 1, 2023, 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, 2024 - September 30, 2025	20.96% - 30.11%	0.00% - 1.25%

The District's pension contributions for the year ended June 30, 2025, were equal to the required contribution total. Total pension contributions were approximately \$1,879,000. Of the total pension contributions approximately \$1,810,000 was contributed to fund the Defined Benefit Plan and approximately \$69,000 was contributed to fund the Defined Contribution Plan.

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The District's OPEB contributions for the year ended June 30, 2025 were equal to the required contribution total. Total OPEB benefits were approximately \$152,000. Of the total OPEB contributions approximately \$109,000 was contributed to fund the Defined Benefit Plan and approximately \$43,000 was contributed to fund the Defined Contributions Plan.

These amounts, for both pension and OPEB benefit, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS 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, 2025, the District reported a liability of \$11,733,322 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2023, 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, 2024 and 2023, the District's proportion was 0.04792629% and 0.04675659%.

MPSERS (Plan) Non-University Employers Net Pension Liability

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Total Pension Liability	\$ 95,765,499,515	\$ 94,947,828,557
Fiduciary Net Position	(71,283,482,728)	(62,581,762,238)
Net Pension Liability	<u>\$ 24,482,016,787</u>	<u>\$ 32,366,066,319</u>
Fiduciary Net Position as a Percentage of Total Pension liability	74.44%	65.91%
Net Pension Liability as a Percentage of Covered Payroll	227.56%	320.51%

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

For the year ended June 30, 2025, the District recognized total pension expense of \$688,184.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 318,333	\$ 127,484
Section 147c revenue related to District Pension contributions subsequent to the measurement date	0	530,027
Changes of assumptions	1,223,268	859,681
Net difference between projected and actual pension plan investment earnings	0	2,239,215
Changes in proportion and differences between District contributions and proportionate share of contributions	274,697	429,970
District contributions subsequent to the measurement date	<u>1,704,642</u>	<u>0</u>
Total	<u>\$ 3,520,940</u>	<u>\$ 4,186,377</u>

\$1,704,642 reported as deferred outflows of resources and \$530,027 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.

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

Year Ended June 30,	Amount
2026	\$ (567,831)
2027	40,373
2028	(765,964)
2029	(546,630)
	<u><u>\$ (1,840,052)</u></u>

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

OPEB Liabilities (Assets)

At June 30, 2025, the District reported a liability (asset) of (\$2,066,013) for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of September 30, 2024, and the total OPEB liability

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(asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2023, 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, 2024 and 2023, the District's proportion was 0.04799772% and 0.04794792%.

MPERS (Plan) Non-University Employers Net OPEB Liability

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Total OPEB Liability	\$ 9,991,545,923	\$ 11,223,648,949
Plan Fiduciary Net Position	<u>(14,295,943,589)</u>	<u>(11,789,347,341)</u>
Net OPEB Liability (Asset)	<u><u>\$ (4,304,397,666)</u></u>	<u><u>\$ (565,698,392)</u></u>
Fiduciary Net Position as a Percentage of Total OPEB Liability (Asset)	143.08%	105.04%
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-40.01%	-5.60%

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

For the year ended June 30, 2025, the District recognized total OPEB benefit of \$797,826.

At June 30, 2025, 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	\$ 2,189,343
Changes of assumptions	451,247	51,867
Net difference between projected and actual OPEB plan investment earnings	0	391,120
Changes in proportion and differences between District contributions and proportionate share of contributions	106,171	198,691
District contributions subsequent to the measurement date	<u>77,679</u>	<u>0</u>
Total	<u>\$ 635,097</u>	<u>\$ 2,831,021</u>

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JUNE 30, 2025

\$77,679 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 June 30,</u>	<u>Amount</u>
2026	\$ (762,909)
2027	(472,308)
2028	(439,018)
2029	(366,012)
2030	(194,755)
Thereafter	(38,601)
	<hr/>
	\$ (2,273,603)

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, and Pension Plus 2 plan groups.

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 wage 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 MP-2021 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 - 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.

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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, 7.25% for year one and graded to 3.5% in year fifteen. Post 65, 6.50% 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.

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, 2024 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity Pools	25.00%	5.30%
Private Equity Pools	16.00%	9.00%
International Equity Pools	15.00%	6.50%
Fixed Income Pools	13.00%	2.20%
Real Estate & Infrastructure Pools	10.00%	7.10%
Absolute Return Pools	9.00%	5.20%
Real Return/Opportunistic Pools	10.00%	6.90%
Short-Term Investment Pools	2.00%	1.40%
	100%	

*Long-term rate of return are net of administrative expenses and 2.3% inflation.

Rate of return

For fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 15.47% and 15.45% respectively. The money-

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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 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		
\$	17,201,177	\$	11,733,322	\$	7,180,282

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) 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		
\$	(1,596,632)	\$	(2,066,013)	\$	(2,471,842)

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Sensitivity of the Net OPEB Liability (Asset) 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
\$ (2,471,847)	\$ (2,066,013)	\$ (1,630,758)

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 2024 Annual Comprehensive Financial Report.

I. Payables to the Pension and OPEB Plan

As of June 30, 2025, the District is current on all required pension and OPEB plan payments. Amounts accrued at year end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. 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 pool maintains reinsurance for claims in excess of \$500,000 for each occurrence with the overall maximum coverage being unlimited.

The District continues to carry commercial insurance for other risks of loss, including general liability, property and casualty and employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2025, or any of the prior three years.

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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, 2025:

	Compensated Absences*	General Obligation Bonds	Net Pension Liability	Total
<u>Balance: July 1, 2024, as restated</u>	\$ 431,200	\$ 16,100,000	\$ 15,133,269	\$ 31,664,469
Additions	0	0	2,003,728	2,003,728
Deletions	<u>(104,991)</u>	<u>(450,000)</u>	<u>(5,403,675)</u>	<u>(5,958,666)</u>
<u>Balance: June 30, 2025</u>	<u>326,209</u>	<u>15,650,000</u>	<u>11,733,322</u>	<u>27,709,531</u>
Less current portion	<u>(189,387)</u>	<u>(480,000)</u>	<u>0</u>	<u>(669,387)</u>
<u>Total due after one year</u>	<u>\$ 136,822</u>	<u>\$ 15,170,000</u>	<u>\$ 11,733,322</u>	<u>\$ 27,040,144</u>

*The change in the compensated absences liability is presented as a net change.

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

The District's liability obligations at June 30, 2025, 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% \$ 15,650,000

Compensated Absences 326,209

Net Pension Liability 11,733,322

Total long-term obligations \$ 27,709,531

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The annual requirements to amortize all long-term obligations as of June 30, 2025, including interest of \$10,072,500 are as follows:

Year ending June 30,	<u>Bonds</u>		Amounts	
	Principal	Interest	Payable	
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	440,000	700,250	1,140,250	
2031-2035	3,140,000	3,120,000	6,260,000	
2036-2040	4,385,000	2,187,750	6,572,750	
2041-2045	5,020,000	1,010,000	6,030,000	
2046	1,020,000	51,000	1,071,000	
	<u>\$ 15,650,000</u>	<u>\$ 10,072,500</u>	<u>25,722,500</u>	
Compensated Absences				326,209
Net Pension Liability				<u>11,733,322</u>
				<u>\$ 37,782,031</u>

Interest expense for the year ended June 30, 2025 was approximately \$714,416.

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.

L. Interfund Receivables, Payables and Transfers

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. There were no interfund balances outstanding at June 30, 2025.

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 2025 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.

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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 Section 1212 of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2023-1.

P. Related Party Transactions

The District purchased heating and cooling services from a business owned by a board member's family totaling \$43,991 for the year. The District solicited competitive bids when required and in the opinion of management, such transactions were on substantially the same terms as those prevailing at the time of comparable transactions with other persons and did not present any other unfavorable features to the District.

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 Buildings. In total the contracted amount for these projects is \$13,676,665. As of June 30, 2025, \$11,753,071 has been paid and \$70,563 has been accrued as retainage, and the District has a remaining commitment of \$1,853,031 which will be expensed from the 2023 Capital Projects Fund in the 2025-2026 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.

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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.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*.

Summary: 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.

NOTE 4 - ADJUSTMENTS TO BEGINNING FUND BALANCES/NET POSITION

During fiscal year 2025, changes to beginning fund balance/net position, are as follows:

Reporting Unit Affected by Adjustments to and Restatements of Beginning Balances	Governmental Activities	
Net Position, as Previously Reported	\$	1,061,212
Changed in accounting principle (GASB 101)		(247,939)
Net Position, as Restated	<hr/>	<hr/>
	\$	813,273

NOTE 5 – UPCOMING ACCOUNTING PRONOUNCEMENTS

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,

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JUNE 30, 2025

- 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 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.

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

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. 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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local Sources	\$ 4,447,299	\$ 5,216,207	\$ 5,218,725	\$ 2,518
State Sources	6,552,294	6,691,662	6,134,651	(557,011)
Federal Sources	348,826	537,032	471,964	(65,068)
Other Transactions	393,482	470,218	478,382	8,164
 Total Revenues	 11,741,901	 12,915,119	 12,303,722	 (611,397)
 EXPENDITURES				
Instruction				
Basic Programs	5,228,900	5,149,236	4,951,174	(198,062)
Added Needs	1,591,400	1,589,720	1,270,701	(319,019)
Supporting Services				
Pupil	714,675	723,379	706,738	(16,641)
Instructional Staff	356,090	549,170	473,324	(75,846)
General Administration	467,340	476,053	466,566	(9,487)
School Administration	817,028	799,503	796,637	(2,866)
Business	310,147	312,634	310,383	(2,251)
Operation and Maintenance	1,253,508	1,935,138	1,904,025	(31,113)
Pupil Transportation Services	717,159	738,135	730,658	(7,477)
Central Support Services	237,503	270,094	253,537	(16,557)
Other Support Services	243,494	326,302	319,950	(6,352)
Community Services	1,000	10,259	9,378	(881)
Prior Period Adjustments	50,000	8,000	12	(7,988)
Other Transactions	21,000	20,500	18,741	(1,759)
 Total Expenditures	 12,009,244	 12,908,123	 12,211,824	 (696,299)
Excess (Deficiency) of Revenues Over Expenditures	(267,343)	6,996	91,898	84,902
 <u>FUND BALANCE</u> - Beginning of Year	 4,259,211	 4,437,842	 4,437,842	 0
 <u>FUND BALANCE</u> - End of Year	 \$ 3,991,868	 \$ 4,444,838	 \$ 4,529,740	 \$ 84,902

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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, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of net pension liability (%)	0.047926%	0.046757%	0.047182%	0.050110%	0.051830%	0.051967%	0.050788%	0.049856%	0.050365%	0.049028%
District's proportionate share of net pension liability	\$ 11,733,322	\$ 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
District's covered payroll	5,080,926	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
District's proportionate share of net pension liability as a percentage of its covered payroll	230.93%	315.83%	403.99%	268.54%	391.37%	379.06%	346.78%	311.89%	293.34%	292.90%
Plan fiduciary net position as a percentage of total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION CONTRIBUTIONS

MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

LAST 10 FISCAL YEARS (AMOUNTS DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	\$ 1,809,986	\$ 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
Contributions in relation to statutorily required contributions	<u>1,809,986</u>	<u>2,002,414</u>	<u>2,145,240</u>	<u>1,642,035</u>	<u>1,517,506</u>	<u>1,423,737</u>	<u>1,379,115</u>	<u>1,287,336</u>	<u>1,165,394</u>	<u>1,136,354</u>
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 4,864,428	\$ 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
Contributions as a percentage of covered payroll	37.21%	39.58%	44.26%	36.40%	34.22%	31.33%	30.48%	29.52%	28.19%	27.61%

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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, 2025

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of net OPEB liability (asset) (%)		0.04799772%	0.04794792%	0.04492730%	0.04894509%	0.05137416%	0.05201864%	0.05169762%	0.05169762%	0.04975682%
District's proportionate share of net OPEB liability (asset)	\$ (2,066,013)	\$ (271,241)	\$ 951,588	\$ 747,087	\$ 2,752,251	\$ 3,733,767	\$ 4,109,419	\$ 4,402,746	\$ 4,402,746	\$ 4,406,201
District's covered payroll	5,080,926	4,791,638	4,392,330	4,417,910	4,549,222	4,540,029	4,402,746	4,402,746	4,142,373	
District's proportionate share of net OPEB liability (asset) as a percentage of its covered payroll	-40.66%	-5.66%	21.66%	16.91%	60.50%	82.24%	93.34%	93.34%	106.37%	
Plan fiduciary net position as a percentage of total OPEB liability (asset)	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	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, 2025

	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions		\$ 109,263	\$ 375,662	\$ 359,991	\$ 345,856	\$ 352,047	\$ 352,457	\$ 345,140	\$ 345,140	\$ 312,961
Contributions in relation to statutorily required contributions		109,263	375,662	359,991	345,856	352,047	352,457	345,140	345,140	312,961
Contribution deficiency (excess)		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll		\$ 4,864,428	\$ 5,053,696	\$ 4,847,304	\$ 4,511,197	\$ 4,433,938	\$ 4,544,756	\$ 4,524,305	\$ 4,360,947	
Contributions as a percentage of covered payroll		2.25%	7.43%	7.43%	7.67%	7.94%	7.94%	7.63%	7.63%	7.18%

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR YEAR ENDED JUNE 30, 2025

Pension Information

Changes of Benefit Terms - There were no changes of benefit terms for the plan year ended September 30, 2024.

Changes of Assumptions – The assumption changes for the plan year ended September 30, 2024 were:

- 2023 - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021, actuarial valuation decreased by 0.80 percentage points.
- 2019 - The discount rate used in the September 30, 2018, actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017, actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016, actuarial valuation decreased by 0.50 percentage points.

OPEB Information

Changes of Benefit Terms - There were no changes of benefit terms for the plan year ended September 30, 2024.

Changes of Assumptions – The assumption changes for the plan year ended September 30, 2024 were:

- 2024 - The health care cost trend rate used in the September 30, 2023, actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage point for members over 65.
- 2023 - The health care cost trend rate used in the September 30, 2022, actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021, actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.
- 2021 - The health care cost trend rate used in the September 30, 2020, actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.
- 2020 - The health care cost trend rate used in the September 30, 2019, actuarial valuation decreased by 0.50 percentage points and actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.8 billion in 2020.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR YEAR ENDED JUNE 30, 2025

- 2019 - The discount rate used in the September 30, 2018, actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017, actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES

JUNE 30, 2025

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND			CAPITAL PROJECTS FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	FOOD SERVICE	LATCHKEY	ACTIVITIES	SCHOOL		2023 DEBT RETIREMENT	SINKING	STADIUM	\$ 20,741	\$ 1,844,697
				SCHOOL	ACTIVITIES					
<u>ASSETS</u>										
Cash	\$ 156,754	\$ 737,761	\$ 221,796	\$ 192,522	\$ 515,123	\$ 20,741	\$ 20,741	\$ 20,741	\$ 1,844,697	
Accounts Receivable	50,014	7,853	0	0	0	0	0	0	0	57,867
Due from Other Governmental Units	50,909	25,431	0	0	0	0	0	0	0	76,340
Inventory	12,282	0	0	0	0	0	0	0	0	12,282
Prepaid Expenditures	0	1,223	0	0	0	0	0	0	0	1,223
TOTAL ASSETS	\$ 269,959	\$ 772,268	\$ 221,796	\$ 192,522	\$ 515,123	\$ 20,741	\$ 20,741	\$ 20,741	\$ 1,992,409	
<u>LIABILITIES AND FUND BALANCES</u>										
<u>LIABILITIES</u>										
Accounts Payable	\$ 35,653	\$ 7,261	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	42,914
Salaries Payable	0	1,016	0	0	0	0	0	0	0	1,016
TOTAL LIABILITIES	\$ 35,653	\$ 8,277	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	43,930
<u>FUND BALANCE</u>										
Nonspendable, Inventory	12,282	0	0	0	0	0	0	0	0	12,282
Nonspendable, Prepaid Expenditures	0	1,223	0	0	0	0	0	0	0	1,223
Restricted for Debt Retirement	0	0	0	192,522	0	0	0	0	0	192,522
Restricted for Capital Projects	0	0	0	0	515,123	20,741	0	0	0	535,864
Restricted for Food Service	222,024	0	0	0	0	0	0	0	0	222,024
Assigned for Custody and	0	762,768	0	0	0	0	0	0	0	762,768
Care of Children	0	0	221,796	0	0	0	0	0	0	221,796
Assigned for Student Activities	0	0	221,796	192,522	515,123	20,741	0	0	0	1,948,479
Total Fund Balances	\$ 234,306	\$ 763,991	\$ 221,796	\$ 192,522	\$ 515,123	\$ 20,741	\$ 20,741	\$ 20,741	\$ 1,948,479	
TOTAL LIABILITIES AND FUND BALANCES	\$ 269,959	\$ 772,268	\$ 221,796	\$ 192,522	\$ 515,123	\$ 20,741	\$ 20,741	\$ 20,741	\$ 1,992,409	

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND			CAPITAL PROJECTS FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	FOOD SERVICE	LATCHKEY	ACTIVITIES	2023 DEBT		RETIREMENT	SINKING	STADIUM		
				SCHOOL	2023 DEBT					
REVENUES										
Local Sources	\$ 70,060	\$ 202,951	\$ 196,626	\$ 1,250,086	\$ 181,149	\$ 34	\$ 1,900,906			
State Sources	38,862	224,581	0	0	0	0	0	0		263,443
Federal Sources	865,753	0	0	0	0	0	0	0		865,753
Other Transactions	2,073	1,965	0	0	0	0	0	0		4,038
Total Revenues	976,748	429,497	196,626	1,250,086	181,149	34	3,034,140			
EXPENDITURES										
Supporting Services	0	0	0	0	0	15,119	0	0		15,119
Operation and Maintenance	0	0	176,357	0	0	0	0	0		176,357
Other Support Services	979,390	0	0	0	0	0	0	0		979,390
Food Service Activities	0	428,710	0	0	0	0	0	0		428,710
Custody and Care of Children										
Debt Service	0	0	0	450,000	0	0	0	0		450,000
Redemption of Principal	0	0	0	807,500	0	0	0	0		807,500
Interest and Fees	0	0	0	536	72	72	0	0		608
Other Transactions	0	0	0							
Total Expenditures	979,390	428,710	176,357	1,258,036	15,191	0	2,857,684			
Excess of Revenues	(2,642)	787	20,269	(7,950)	165,958	34	176,456			
Over (Under) Expenditures										
FUND BALANCE - Beginning of Year	236,948	763,204	201,527	200,472	349,165	20,707	1,772,023			
FUND BALANCE - End of Year	\$ 234,306	\$ 763,991	\$ 221,796	\$ 192,522	\$ 515,123	\$ 20,741	\$ 1,948,479			

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
ASSETS		
Cash	\$ 471,804	\$ 606,412
Accounts Receivable	1,868	1,454
Due from Other Governmental Units	1,125,267	1,495,140
Inventory	42,909	42,115
Prepaid Expenditures	7,089	7,827
Investments	4,256,944	4,281,132
 TOTAL ASSETS	 \$ 5,905,881	 \$ 6,434,080
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 55,451	\$ 291,533
Due to Other Funds	0	1,191
Accrued Expenditures	391,677	463,993
Salaries Payable	571,384	572,772
Unearned Revenue	357,629	666,749
 Total Liabilities	 1,376,141	 1,996,238
 FUND BALANCE		
Nonspendable:		
Inventory	42,909	42,115
Prepaid Expenditures	7,089	7,827
Assigned to:		
Subsequent Year's Budget Shortfall	44,735	267,343
Unassigned	4,435,007	4,120,557
 Total Fund Balance	 4,529,740	 4,437,842
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 5,905,881	 \$ 6,434,080

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025		2024
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Local Sources	\$ 5,216,207	\$ 5,218,725	\$ 4,551,912
State Sources	6,691,662	6,134,651	6,672,967
Federal Sources	537,032	471,964	1,285,460
Other Transactions	470,218	478,382	394,318
Total Revenues	12,915,119	12,303,722	12,904,657
EXPENDITURES			
Instruction			
Basic Programs			
Elementary School	1,270,480	1,270,541	1,269,130
Middle School	1,674,515	1,677,429	1,713,867
High School	1,641,986	1,639,061	1,878,062
Pre School	492,315	351,343	450,269
Summer School	69,940	12,800	15,460
Added Needs			
Special Education	558,123	556,317	671,480
Compensatory Education	1,018,301	701,172	676,037
Career and Technical Education	13,296	13,212	0
Supporting Services			
Pupil			
Truancy/Absenteeism Services	65,118	64,324	47,943
Guidance Services	304,717	301,388	351,041
Health Services	0	0	3,689
Social Work Services	104,150	105,362	192,571
Other Pupil Services	249,394	235,664	175,805
Instructional Staff			
Improvement of Instruction	330,622	304,007	396,294
Educational Media Services	95,081	92,423	60,537
Instruction Related Technology	891	891	19,770
Supervision/Direction of Instruction	109,451	63,360	55,595
Academic Student Assessment	13,125	12,643	10,529
General Administration			
Board of Education	102,174	95,108	92,660
Executive Administration	373,879	371,458	330,749
School Administration			
Office of the Principal	797,116	794,250	778,363
Other School Administration	2,387	2,387	2,590

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025		2024
	BUDGET	ACTUAL	ACTUAL
Business			
Fiscal Services	284,070	283,033	269,511
Other Business Services	28,564	27,350	29,400
Operation and Maintenance			
Operating Buildings Services	1,599,286	1,552,564	1,403,623
Security Services	335,852	351,461	20,657
Pupil Transportation Services	738,135	730,658	686,172
Central Support Services			
Communication Services	32,517	20,830	18,085
Staff Services	26,919	25,268	29,193
Technology	210,658	207,439	241,104
Other Support Services			
Pupil Activities	72,979	72,979	11,411
Athletic Activities	252,911	246,559	286,915
Other Support Services	412	412	488
Community Services			
Community Recreation	6,120	5,841	4,652
Community Activities	745	746	1,012
Custody and Care of Children	3,394	2,791	0
Facilities Acquisition, Construction, and Improvements			
Site Improvement Services	0	0	2,750
Prior Period Adjustments	8,000	12	17,725
Other Transactions			
Payments to Other School Districts	20,500	18,741	22,734
Total Expenditures	<u>12,908,123</u>	<u>12,211,824</u>	<u>12,237,873</u>
Excess of Revenues Over (Under) Expenditures	6,996	91,898	666,784
OTHER FINANCING SOURCES (USES)			
Proceeds from the Sale of Capital Assets	0	0	45,000
Net Change in Fund Balance	6,996	91,898	711,784
FUND BALANCE - Beginning of Year	<u>4,437,842</u>	<u>4,437,842</u>	<u>3,726,058</u>
FUND BALANCE - End of Year	<u>\$ 4,444,838</u>	<u>\$ 4,529,740</u>	<u>\$ 4,437,842</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
ANALYSIS OF REVENUES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025		2024
	BUDGET	ACTUAL	ACTUAL
<u>LOCAL SOURCES</u>			
Property Taxes			
Operating Millage	\$ 4,745,613	\$ 4,745,613	\$ 4,132,589
Interest on Delinquent Taxes	23,771	23,772	20,590
Other Taxes	215	215	875
Earnings on Investments and Deposits	277,000	277,717	253,038
Admissions	36,249	36,250	32,033
Dues and Fees	14,145	14,295	13,726
Other Pupil Activity	6,349	6,349	5,050
Community Service Activity	9,200	9,250	9,300
Contributions from Private Sources	40,682	40,710	30,569
Miscellaneous	62,983	64,554	54,142
 Total Local Sources	 5,216,207	 5,218,725	 4,551,912
<u>STATE SOURCES</u>			
Grants-In-Aid Unrestricted			
State School Aid			
Foundation Allowance	2,673,434	2,673,430	3,606,117
Grants-In-Aid Restricted			
State School Aid			
MPERS Cost Offset	1,287,409	1,288,928	1,255,615
At Risk	1,204,017	921,800	606,221
School Readiness	513,918	320,533	408,730
First Robotics	60,715	60,715	9,776
Headlee Data Collection	33,964	33,965	23,233
Special Education	395,941	395,941	349,824
Social Worker	39,497	39,497	40,240
Employer Contributions Forfeiture Credit	0	0	5,389
Mental Health and Support Services	0	0	70,319
Per Pupil Mental Health Grant	171,803	171,803	69,648
Student Safety	0	0	10,656
MI Kids Back on Track	95,249	24,038	22,855
Educator Compensation Program	0	0	40,925
District Transportation Costs	122,074	122,075	145,232
Benchmark Assessment	7,612	7,612	6,675
Student Loan Repayment Program	2,473	2,473	1,512
Numbers Corners	83,556	71,841	0
 Total State Sources	 6,691,662	 6,134,651	 6,672,967

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

GENERAL FUND
ANALYSIS OF REVENUES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025		2024
	BUDGET	ACTUAL	ACTUAL
<u>FEDERAL SOURCES</u>			
Grants-In-Aid Unrestricted			
Medicaid Fee for Services	5,812	9,630	6,739
Grants-In-Aid Restricted			
Preschool Grants - IDEA	12,283	12,283	15,191
Received from Michigan Department of Education			
Elementary and Secondary School Emergency Relief Fund	206,971	206,971	944,553
Title I Part A	258,490	200,268	261,548
Title II Part A - Improving Teacher Quality	34,433	32,947	37,087
Title IV Part A	19,043	9,865	20,342
 Total Federal Sources	 537,032	 471,964	 1,285,460
<u>OTHER TRANSACTIONS</u>			
Transfers from Other School Districts Within the State			
Special Education Millage	71,848	71,848	60,415
Other Transfers	331,117	336,479	315,963
Insurance Reimbursement	5,129	5,129	0
Prior Period Adjustment	62,124	64,926	17,940
 Total Other Transactions	 470,218	 478,382	 394,318
 TOTAL REVENUES	 \$ 12,915,119	 \$ 12,303,722	 \$ 12,904,657

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025		2024	
	BUDGET	ACTUAL	ACTUAL	ACTUAL
INSTRUCTION				
Basic Programs				
Elementary				
Salaries	\$ 677,553	\$ 675,547	\$ 664,009	
Employee Benefits	419,589	421,668	504,514	
Purchased Services	48,051	48,366	48,087	
Supplies and Materials	124,787	124,732	50,893	
Other Expense	500	228	1,627	
Total Elementary	<u>1,270,480</u>	<u>1,270,541</u>	<u>1,269,130</u>	
Middle School				
Salaries	943,847	943,234	930,285	
Employee Benefits	691,732	695,758	744,008	
Purchased Services	8,232	8,231	7,523	
Supplies and Materials	29,371	28,873	30,807	
Other Expense	1,333	1,333	1,244	
Total Middle School	<u>1,674,515</u>	<u>1,677,429</u>	<u>1,713,867</u>	
High School				
Salaries	872,547	870,753	923,430	
Employee Benefits	631,846	633,273	744,578	
Purchased Services	110,239	108,889	145,462	
Supplies and Materials	25,716	24,889	62,659	
Other Expense	1,638	1,257	1,933	
Total High School	<u>1,641,986</u>	<u>1,639,061</u>	<u>1,878,062</u>	
Preschool				
Salaries	269,269	188,625	221,466	
Employee Benefits	174,204	128,426	187,428	
Purchased Services	7,121	1,795	19,783	
Supplies and Materials	41,721	32,497	21,592	
Total Preschool	<u>492,315</u>	<u>351,343</u>	<u>450,269</u>	

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025	2024
	BUDGET	ACTUAL
<u>Summer School</u>		
Purchased Services	66,405	11,767
Supplies and Materials	3,535	1,033
Total Summer School	<u>69,940</u>	<u>12,800</u>
<u>Added Needs</u>		
<u>Special Education</u>		
Salaries	312,857	312,220
Employee Benefits	238,506	236,747
Purchased Services	4,229	4,229
Supplies and Materials	2,511	3,101
Other Expense	20	20
Total Special Education	<u>558,123</u>	<u>556,317</u>
<u>Compensatory Education</u>		
Salaries	689,245	393,574
Employee Benefits	308,814	289,297
Purchased Services	13,184	13,184
Supplies and Materials	5,159	3,218
Capital Outlay	1,899	1,899
Total Compensatory Education	<u>1,018,301</u>	<u>701,172</u>
<u>Career and Technical Education</u>		
Salaries	8,532	8,532
Employee Benefits	4,764	4,680
Total Compensatory Education	<u>13,296</u>	<u>13,212</u>
TOTAL INSTRUCTION	6,738,956	6,221,875
<u>SUPPORTING SERVICES</u>		
<u>Pupil</u>		
<u>Truancy/Absenteeism Services</u>		
Salaries	34,426	34,426
Employee Benefits	30,692	29,898
Total Truancy/Absenteeism Services	<u>65,118</u>	<u>64,324</u>

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025	2024
	BUDGET	ACTUAL
<u>Guidance Services</u>		
Salaries	167,857	166,867
Employee Benefits	135,882	133,543
Other Expense	978	978
Total Guidance Services	304,717	301,388
<u>Health Services</u>		
Purchased Services	0	0
		3,689
<u>Social Work Services</u>		
Salaries	62,787	62,657
Employee Benefits	40,763	42,005
Purchased Services	350	450
Supplies and Materials	250	250
Total Social Work Services	104,150	105,362
		192,571
<u>Other Pupil Services</u>		
Salaries	48,866	48,869
Employee Benefits	30,951	30,826
Purchased Services	169,577	155,969
Supplies and Materials	0	0
Total Other Pupil Services	249,394	235,664
		175,805
<u>Instructional Staff</u>		
<u>Improvement of Instruction</u>		
Salaries	177,678	161,852
Employee Benefits	140,085	131,299
Purchased Services	12,859	10,856
Total Improvement of Instruction	330,622	304,007
		396,294
<u>Education Media Services</u>		
Salaries	56,000	54,834
Employee Benefits	33,840	32,752
Supplies and Materials	5,241	4,837
Total Education Media Services	95,081	92,423
		60,537
<u>Instruction Related Technology</u>		
Supplies and Materials	891	891
		19,770

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025	2024
	BUDGET	ACTUAL
<u>Supervision/Direction of Instruction</u>		
Salaries	61,578	38,267
Employee Benefits	27,669	14,664
Purchased Services	20,204	10,429
Total Supervision/Direction of Instruction	<u>109,451</u>	<u>63,360</u>
<u>Academic Student Assessment</u>		
Supplies and Materials	13,125	12,643
		10,529
<u>General Administration</u>		
<u>Board of Education</u>		
Salaries	1,400	1,400
Employee Benefits	137	137
Purchased Services	95,440	88,373
Other Expense	5,197	5,198
Total Board of Education	<u>102,174</u>	<u>95,108</u>
		92,660
<u>Executive Administration</u>		
Salaries	186,294	186,294
Employee Benefits	175,804	174,626
Purchased Services	9,771	9,752
Supplies and Materials	2,000	776
Other Expense	10	10
Total Executive Administration	<u>373,879</u>	<u>371,458</u>
		330,749
<u>School Administration</u>		
<u>Office of the Principal</u>		
Salaries	446,833	445,921
Employee Benefits	316,832	315,313
Purchased Services	28,572	28,135
Supplies and Materials	2,928	2,929
Other Expense	1,951	1,952
Total Office of the Principal	<u>797,116</u>	<u>794,250</u>
		778,363
<u>Other School Administration</u>		
Supplies and Materials	2,387	2,387
		2,590

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025		2024
	BUDGET	ACTUAL	ACTUAL
<u>Business</u>			
<u>Fiscal Services</u>			
Salaries	156,605	156,422	149,834
Employee Benefits	120,542	120,401	114,533
Purchased Services	3,450	3,179	3,855
Supplies and Materials	3,000	2,558	1,139
Other Expense	473	473	150
Total Fiscal Services	<u>284,070</u>	<u>283,033</u>	<u>269,511</u>
<u>Other Business Services</u>			
Purchased Services	18,564	18,129	18,539
Other Expense	10,000	9,221	10,861
Total Other Business Services	<u>28,564</u>	<u>27,350</u>	<u>29,400</u>
<u>Operation and Maintenance</u>			
<u>Operating Buildings Services</u>			
Salaries	75,423	74,913	71,957
Employee Benefits	54,273	53,789	53,106
Purchased Services	924,865	917,212	808,758
Supplies and Materials	422,662	400,413	410,161
Capital Outlay	113,000	97,682	49,254
Other Expense	9,063	8,555	10,387
Total Operating Building Services	<u>1,599,286</u>	<u>1,552,564</u>	<u>1,403,623</u>
<u>Security Services</u>			
Purchased Services	39,000	39,000	10,000
Supplies and Materials	36,703	36,703	8,910
Capital Outlay	260,149	275,758	1,747
Total Security Services	<u>335,852</u>	<u>351,461</u>	<u>20,657</u>
<u>Pupil Transportation Services</u>			
Salaries	244,737	241,043	231,673
Employee Benefits	231,945	229,955	210,117
Purchased Services	182,566	159,714	154,127
Supplies and Materials	76,387	97,760	88,207
Other Expense	2,500	2,186	2,048
Total Pupil Transportation Services	<u>738,135</u>	<u>730,658</u>	<u>686,172</u>

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025	2024
	BUDGET	ACTUAL
<u>Central Support Services</u>		
<u>Communication Services</u>		
Salaries	16,088	13,285
Employee Benefits	16,429	7,545
Total Communication Services	<u>32,517</u>	<u>20,830</u>
<u>Staff Services</u>		
Salaries	13,580	13,580
Employee Benefits	9,249	9,249
Purchased Services	2,634	2,205
Other Expense	1,456	234
Total Staff Services	<u>26,919</u>	<u>25,268</u>
<u>Technology</u>		
Salaries	7,268	7,333
Employee Benefits	6,257	6,117
Purchased Services	166,133	163,333
Supplies and Materials	31,000	30,656
Capital Outlay	0	0
Total Technology	<u>210,658</u>	<u>207,439</u>
<u>Other Support Services</u>		
<u>Pupil Activities</u>		
Salaries	5,000	5,000
Employee Benefits	2,464	2,464
Purchased Services	2,655	2,655
Supplies and Materials	604	604
Other Expense	62,256	62,256
Total Other Support Services	<u>72,979</u>	<u>72,979</u>
<u>Athletic Activities</u>		
Salaries	87,784	88,132
Employee Benefits	40,479	40,754
Purchased Services	50,976	48,015
Supplies and Materials	21,733	20,247
Capital Outlay	24,575	24,575
Other Expense	27,364	24,836
Total Athletic Activities	<u>252,911</u>	<u>246,559</u>

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025	2024
	BUDGET	ACTUAL

Other Support Services

Supplies and Materials	412	412	488
Total Other Support Services	412	412	488
 TOTAL SUPPORTING SERVICES	 6,130,408	 5,961,818	 5,514,695

COMMUNITY SERVICES

Community Recreation

Purchased Services	4,500	4,500	4,500
Supplies and Materials	1,620	1,341	152
Total Community Recreation	6,120	5,841	4,652

Community Activities

Supplies and Materials	0	0	487
Other Expense	745	746	525
Total Community Activities	745	746	1,012

Custody and Care of Children

Purchased Services	1,953	1,350	0
Supplies and Materials	1,441	1,441	0
Total Custody and Care of Children	3,394	2,791	0
 TOTAL COMMUNITY SERVICES	 10,259	 9,378	 5,664

FACILITIES ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

Site Improvement Services

Supplies and Materials	0	0	1,375
Other Expense	0	0	1,375
Total Site Improvement Services	0	0	2,750

PRIOR PERIOD ADJUSTMENTS

Other Expense	8,000	12	17,725
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PAYMENTS TO OTHER K-12 DISTRICTS

Other Transactions	20,500	18,741	22,734
 TOTAL EXPENDITURES	 \$ 12,908,123	 \$ 12,211,824	 \$ 12,237,873

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30,

	2025	2024
<u>ASSETS</u>		
Restricted Assets - Cash	\$ 16,188	\$ 36,443
Restricted Assets - Investments	<u>1,986,585</u>	<u>8,688,030</u>
 TOTAL ASSETS	 \$ 2,002,773	 \$ 8,724,473
<u>LIABILITIES AND FUND BALANCE</u>		
<u> LIABILITIES</u>		
Accounts Payable	\$ 471,469	\$ 504,051
Retainage Payable	<u>74,373</u>	<u>676,389</u>
 TOTAL LIABILITIES	 545,842	 1,180,440
<u> FUND BALANCE</u>		
Restricted for Capital Projects	1,456,931	7,544,033
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 2,002,773	 \$ 8,724,473

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30,

	2025	2024
REVENUES		
Local Sources		
Earnings on Investments and Deposits	\$ 203,385	\$ 735,360
EXPENDITURES		
Supporting Services		
Business		
Other Expense	25	0
Pupil Transportation Services		
Capital Outlay	148,500	0
Central Support Services - Technology		
Supplies and Materials	11,807	41,442
Capital Outlay	0	176,959
Facilities Acquisition, Construction, and Improvements		
Site Improvement Services		
Capital Outlay	38,057	16,126
Building Improvements Services		
Capital Outlay	6,091,598	10,145,630
Debt Service		
Bond Issuance Costs	500	500
Total Expenditures	<u>6,290,487</u>	<u>10,380,657</u>
Excess of Revenues Over (Under) Expenditures	(6,087,102)	(9,645,297)
FUND BALANCE - Beginning of Year	<u>7,544,033</u>	<u>17,189,330</u>
FUND BALANCE - End of Year	<u>\$ 1,456,931</u>	<u>\$ 7,544,033</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

FOOD SERVICE FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
ASSETS		
Cash	\$ 156,754	\$ 164,702
Accounts Receivable	50,014	50,192
Due from Other Governments	50,909	44,123
Inventory	12,282	13,609
 TOTAL ASSETS	 \$ 269,959	 \$ 272,626
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 35,653	\$ 35,678
 FUND BALANCE		
Nonspendable, Inventory	12,282	13,609
Restricted for Food Service	222,024	223,339
 Total Fund Balance	 234,306	 236,948
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 269,959	 \$ 272,626

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

FOOD SERVICE FUND

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

YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025		2024
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Local Sources			
Earnings on Investments and Deposits	\$ 600	\$ 607	\$ 1,000
Food Sales to Adults	9,600	9,516	9,617
Ala-Carte Sales and Milk Sales	12,000	12,050	9,940
Other Income	46,000	47,887	40,115
State Sources			
State Aid	27,971	27,972	33,032
Local Produce in School Meals	7,623	10,890	10,000
Federal Sources			
School Breakfast Program	177,000	176,969	167,324
School Lunch Program	473,000	473,014	458,788
School Lunch Program - Supply Chain Assistance	0	0	27,419
U.S.D.A. Commodities	43,946	44,332	56,375
U.S.D.A. Commodities - Bonus	316	316	422
Summer Food Service Program for Children	37,487	37,878	24,437
Child and Adult Care Food Program	37,500	39,360	38,191
Food Equipment Assistance Grant	24,703	24,703	0
Team Nutrition	0	0	7,957
Healthy Meals Incentive	80,009	69,181	3,446
Other Transactions			
Prior Period Adjustment	2,073	2,073	6,621
Total Revenues	979,828	976,748	894,684
EXPENDITURES			
Food Service Activities			
Purchased Services	532,068	506,129	483,781
Supplies and Materials	396,479	382,360	404,849
Capital Outlay	83,394	83,394	0
Other Expenditures	9,028	7,507	3,524
Total Expenditures	1,020,969	979,390	892,154
Excess of Revenues Over (Under) Expenditures	(41,141)	(2,642)	2,530
FUND BALANCE - Beginning of Year	236,948	236,948	234,418
FUND BALANCE - End of Year	\$ 195,807	\$ 234,306	\$ 236,948

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

LATCHKEY FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
ASSETS		
Cash	\$ 737,761	\$ 746,592
Accounts Receivable	7,853	5,847
Due from Other Governmental Units	25,431	18,103
Prepaid Expenditures	1,223	460
TOTAL ASSETS	\$ 772,268	\$ 771,002
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 7,261	\$ 7,798
Salaries Payable	1,016	0
Total Liabilities	8,277	7,798
FUND BALANCE		
Nonspendable, Prepaid Expenditures	1,223	460
Assigned for Custody and Care of Children	762,768	762,744
Total Fund Balance	763,991	763,204
TOTAL LIABILITIES AND FUND BALANCE	\$ 772,268	\$ 771,002

MANCELONA PUBLIC SCHOOLS

MANCELONA, MICHIGAN

LATCHKEY FUND

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

YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025		2024	
	BUDGET	ACTUAL	ACTUAL	ACTUAL
<u>REVENUES</u>				
Local Sources				
Earnings on Investments and Deposits	\$ 3,000	\$ 3,002	\$ 3,002	\$ 2,852
Charges for Child Care Services				
Private Pay				
Children, Infants and Toddlers	119,000	126,556	126,556	101,339
Northwest Michigan Community Action Agency	73,233	73,233	73,233	143,316
Miscellaneous	160	160	160	1,000
State Sources				
Michigan Family Independence Agency				
Children, Infants and Toddlers	200,000	213,056	213,056	202,444
MiLEAP Grant	11,525	11,525	11,525	0
Other Transactions				
Other Local Revenue	1,965	1,965	1,965	1,745
Total Revenues	408,883	429,497	429,497	452,696
<u>EXPENDITURES</u>				
Custody and Care of Children				
Children, Infants and Toddlers				
Salaries	41,638	41,639	41,639	22,168
Employee Benefits	33,232	33,034	33,034	14,676
Purchased Services	331,178	327,600	327,600	301,537
Supplies and Materials	11,000	10,063	10,063	4,394
Other Expenditures	16,500	16,374	16,374	15,015
Total Expenditures	433,548	428,710	428,710	357,790
Excess of Revenues Over (Under) Expenditures	(24,665)	787	787	94,906
<u>FUND BALANCE</u> - Beginning of Year	763,204	763,204	763,204	668,298
<u>FUND BALANCE</u> - End of Year	\$ 738,539	\$ 763,991	\$ 763,991	\$ 763,204

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

SCHOOL ACTIVITIES FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
<u>ASSETS</u>		
Cash	\$ 221,796	\$ 200,336
Due from Other Funds	0	1,191
 TOTAL ASSETS	 \$ 221,796	 \$ 201,527
 <u>FUND BALANCE</u>		
Assigned for Student Activities	\$ 221,796	\$ 201,527

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2024

	2025		2024	
	BUDGET	ACTUAL	ACTUAL	ACTUAL
REVENUES				
Local Sources				
Other Student Activity Income	\$ 193,000	\$ 196,626	\$ 201,886	
EXPENDITURES				
Other Support Services				
Other Student/School Activity Expenditures	190,000	176,357	211,647	
Excess of Revenues Over (Under) Expenditures	3,000	20,269	(9,761)	
FUND BALANCE - Beginning of Year	<u>211,288</u>	<u>201,527</u>	<u>211,288</u>	
FUND BALANCE - End of Year	<u>\$ 214,288</u>	<u>\$ 221,796</u>	<u>\$ 201,527</u>	

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 DEBT RETIREMENT FUND
BALANCE SHEET

JUNE 30,

	2025	2024
<u>ASSETS</u>		
Cash	\$ 192,522	\$ 198,927
Due from Other Funds	0	1,545
	<u>\$ 192,522</u>	<u>\$ 200,472</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Debt Retirement	192,522	200,472
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 192,522</u>	<u>\$ 200,472</u>

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30,

	2025	2024
REVENUES		
Local Sources		
Property Taxes	\$ 1,239,113	\$ 1,237,418
Interest on Delinquent Taxes	4,524	3,987
Earnings on Investments and Deposits	0	2,438
Payments in Lieu of Tax		
Commercial Forest and DNR	6,449	754
	<hr/>	<hr/>
Total Revenues	1,250,086	1,244,597
EXPENDITURES		
Debt Service		
Bond Principal	450,000	240,000
Interest and Fees	807,500	976,092
Taxes Abated and Written Off	536	45
	<hr/>	<hr/>
Total Expenditures	1,258,036	1,216,137
Excess of Revenues Over (Under) Expenditures	(7,950)	28,460
FUND BALANCE - Beginning of Year	200,472	172,012
FUND BALANCE - End of Year	<hr/>	<hr/>
	\$ 192,522	\$ 200,472

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

SINKING FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
<u>ASSETS</u>		
Cash	\$ 515,123	<u>\$ 350,710</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 1,545
<u>FUND BALANCE</u>		
Restricted for Capital Projects	<u>515,123</u>	349,165
TOTAL LIABILITIES AND FUND BALANCE	\$ 515,123	\$ 350,710

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30,

	2025	2024
<u>REVENUES</u>		
Local Sources		
Property Taxes	\$ 177,680	\$ 165,952
Interest on Delinquent Taxes	649	974
Earnings on Investments and Deposits	1,895	1,403
Payments in Lieu of Tax		
Commercial Forest and DNR	925	101
	<hr/>	<hr/>
Total Revenues	181,149	168,430
<u>EXPENDITURES</u>		
Supporting Services		
Operation and Maintenance of Plant		
Purchased Services	15,119	107,234
Taxes Abated and Written Off	72	31
	<hr/>	<hr/>
Total Expenditures	15,191	107,265
	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	165,958	61,165
<u>FUND BALANCE</u> - Beginning of Year	<hr/>	<hr/>
	349,165	288,000
<u>FUND BALANCE</u> - End of Year	<hr/>	<hr/>
	\$ 515,123	\$ 349,165

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

STADIUM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
<u>ASSETS</u>		
Cash	\$ 20,741	<u>\$ 20,707</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Capital Projects	<u>20,741</u>	20,707
TOTAL LIABILITIES AND FUND BALANCE	\$ 20,741	\$ 20,707

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

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

YEAR ENDED JUNE 30,

	2025	2024
<u>REVENUES</u>		
Local Sources		
Contributions from Private Sources	\$ 3	\$ 7,508
Earnings on Investments and Deposits	31	24
	<hr/>	<hr/>
Total Revenues	34	7,532
<u>EXPENDITURES</u>		
Facilities Acquisition	0	0
	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	34	7,532
<u>FUND BALANCE</u> - Beginning of Year	<hr/>	<hr/>
	20,707	13,175
<u>FUND BALANCE</u> - End of Year	<hr/>	<hr/>
	\$ 20,741	\$ 20,707

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 SCHOOL BUILDING AND SITE BONDS, SERIES I

JUNE 30, 2025

TITLE OF ISSUE

2023 School Building and Site Bonds, Series I

PURPOSE

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.

DATE OF ISSUE

February 22, 2023

AMOUNT OF ISSUE

\$ 16,340,000

AMOUNT REDEEMED

Prior to Current Year	\$	240,000
During Current Year	\$	450,000
	\$	690,000

BALANCE OUTSTANDING - June 30, 2025

\$ 15,650,000

DUE DATES	INTEREST RATE	REQUIREMENTS		
		TOTAL	INTEREST	PRINCIPAL
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
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

MANCELONA PUBLIC SCHOOLS
MANCELONA, MICHIGAN

2023 SCHOOL BUILDING AND SITE BONDS, SERIES I

JUNE 30, 2025

DUE DATES	INTEREST RATE	REQUIREMENTS		
		TOTAL	INTEREST	PRINCIPAL
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
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		\$ 25,722,500	\$ 10,072,500	\$ 15,650,000

