

Trenton Public Schools

Financial Statements

June 30, 2024



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

Table of Contents

Section	Page
1 Members of the Board of Education and Administration	1 - 1
2 Independent Auditors' Report	2 - 1
3 Management's Discussion and Analysis	3 - 1
4 Basic Financial Statements	
District-wide Financial Statements	
Statement of Net Position	4 - 1
Statement of Activities	4 - 3
Fund Financial Statements	
Governmental Funds	
Balance Sheet	4 - 4
Reconciliation of the Balance Sheet of	
Governmental Funds to the Statement of Net Position	4 - 6
Statement of Revenues, Expenditures and Changes in Fund Balances	4 - 7
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances of Governmental Funds to the Statement of Activities	4 - 9
Fiduciary Funds	
Statement of Fiduciary Net Position	4 - 10
Statement of Changes in Fiduciary Net Position	4 - 11
Notes to the Financial Statements	4 - 12

Section		Page
5	Required Supplementary Information	
	Budgetary Comparison Schedule - General Fund	5 - 1
	Schedule of the School District's Proportionate Share of the Net Pension Liability	5 - 3
	Schedule of the School District's Pension Contributions	5 - 4
	Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)	5 - 5
	Schedule of the School District's OPEB Contributions	5 - 6
6	Other Supplementary Information	
	Nonmajor Governmental Funds	
	Combining Balance Sheet	6 - 1
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	6 - 2

Trenton Public Schools
Members of the Board of Education and Administration
June 30, 2024

Members of the Board of Education

Rebecca M. Caldwell – President

Thomas J. Kinney – Vice President

Anna L. Mierkowicz – Secretary

Kellee S. Howey – Treasurer

Sean R. Gearhart – Trustee

Maegan E. Drake – Trustee

Heather L. Lear – Trustee

Administration

Douglas B. Mentzer – Superintendent

Gail L. Farrell – Chief Financial Officer

Independent Auditors' Report

Management and the Board of Education
Trenton Public Schools
Trenton, 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 Trenton Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Trenton Public Schools' basic financial statements as listed in the table of contents.

In our opinion, based on our audit, 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 Trenton Public Schools, as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Trenton 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Trenton 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, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, and schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability (asset), and schedule of the school district's OPEB contributions identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during

our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2024 on our consideration of Trenton 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 Trenton 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 Trenton Public Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Ann Arbor, MI
September 4, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Trenton Public Schools

Management's Discussion and Analysis

June 30, 2024

This section of Trenton Public Schools' (the "District") annual financial reports presents our discussion and analysis of the District's financial performance during the year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follows this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Trenton Public Schools financially as a whole. The district-wide financial statements provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the District's operations in more detail than the district-wide financial statements by providing information about the District's most significant funds; the General Fund and Capital Projects Fund, with all other funds presented in one column as nonmajor funds. The remaining statement, the statement of fiduciary assets and liabilities, presents financial information about activities for which the District acts solely as an agent for the benefit of students and parents.

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

Basic Financial Statements
District-wide Financial Statements Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplemental Information)
Budgetary Information for Major Funds

Other Supplemental Information

The District as a Whole – District-wide Financial Statements

The District-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The relationship between revenue and expenditures is the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the District.

The Statement of Net Position and the Statement of Activities report the governmental activities for the District, which encompasses all of the District's services, including instruction, support services, athletics and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and grants finance most of these activities.

Trenton Public Schools
Management's Discussion and Analysis
June 30, 2024

The District's Most Significant Funds – Fund Financial Statements

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

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

The District as Trustee

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Trenton Public Schools
Management's Discussion and Analysis
June 30, 2024

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

	Governmental Activities	
	<u>2022-23</u>	<u>2023-24</u>
Current and Other Assets	\$ 22,161,879	\$ 22,039,585
Capital Assets, Net	<u>69,783,209</u>	<u>75,140,943</u>
 Total Assets	 <u>91,945,088</u>	 <u>97,180,528</u>
 Deferred Outflows	 <u>28,388,825</u>	 <u>23,977,452</u>
Current Liabilities	10,223,327	11,735,699
Long-Term Liabilities	<u>161,144,934</u>	<u>147,386,636</u>
 Total Liabilities	 <u>171,368,261</u>	 <u>159,122,335</u>
 Deferred inflows	 <u>12,436,182</u>	 <u>19,260,002</u>
 Net Assets		
Invested in Capital Assets, Net of Related Debt	(8,175,192)	(9,024,305)
Restricted for Food Service	402,296	523,413
Restricted for Capital Projects	1,552,511	1,277,241
Unrestricted	<u>(57,250,145)</u>	<u>(50,000,706)</u>
 Total Net Assests	 <u>\$ (63,470,530)</u>	 <u>\$ (57,224,357)</u>

The District's net assets were a deficit of \$57,224,357 as of June 30, 2024, due to changes of the Governmental Accounting Standards Board (GASB) to reflect the Districts proportionate share of the pension liability and liabilities (assets) related to postemployment benefits other than pensions and decreased to a deficit of \$61,417,639 as of June 30, 2024. Capital assets, (net of related debt totaling \$9,024,305) compares the cost, less depreciation of the District's capital assets, to long-term debt used to finance the acquisition of those assets. A credit balance is the result of the district refunding the previous bond debt and refinancing the debt to a lower interest rate cost as well as the passage of a new bond for program and facility construction and improvement in 2018. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use those net assets for day-to-day operations.

Trenton Public Schools
Management's Discussion and Analysis
June 30, 2024

The deficit of \$50,000,706 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The unrestricted net assets balance enables the District to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year. The decrease in Net Assets is also a reflection of the effects of the reporting requirements from GASB Statements 68, 71 and 75.

	Governmental Activities	
	<u>2022-23</u>	<u>2023-24</u>
Revenue		
Program Revenue		
Charges for Services	\$ 1,747,705	\$ 2,395,356
Operating Grants and Contributions	18,203,835	17,304,712
General Revenue		
Property Taxes	8,206,813	9,065,778
State School Aid	19,471,620	21,149,877
Enhancement Millage	996,240	-
Insurance Proceeds	52,564	-
Unrestricted Investment Earnings	325,447	653,131
Other	<u>-</u>	<u>2,407,684</u>
Total Revenue	<u>49,004,224</u>	<u>52,976,538</u>
Expenses		
Instruction	29,134,160	26,505,348
Support Services	15,486,294	14,964,006
Cafeteria	1,194,142	1,210,459
Interest on Long-Term Debt	3,629,352	3,772,376
Community Services	<u>304,039</u>	<u>278,176</u>
Total Expenses	<u>49,747,987</u>	<u>46,730,365</u>
Increase (Decrease) in Net Assets	<u>\$ (743,763)</u>	<u>\$ 6,246,173</u>

Trenton Public Schools
Management's Discussion and Analysis
June 30, 2024

As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$46,730,365. Certain activities were partially funded from those who benefited from the programs (\$2,395,356 this year compared to \$1,747,705 in the previous year) or by other governments or organizations that subsidized certain programs with grants and contributions (\$17,304,712 this year compared to \$18,203,835 in the previous year). Trenton Public Schools paid for the remaining "public benefit" portion of our governmental activities with \$9,065,778 in taxes, \$21,149,877 in state foundation allowance and with our other revenue, i.e., interest and general entitlements.

The expenditures above show the financial burden that was placed on the State and the District's taxpayers by function. Since property taxes for operation and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the District and balance those needs with state-prescribed available unrestricted resources.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. The original budget was developed on the premise that federal funds from the COVID pandemic would sharply decline. While this expected decline did occur unanticipated state grant funds that were actually received were historically high. A schedule showing the District's original and final budget amounts compared with amounts actually received is provided in the required supplemental information of these financial statements. The final amended budget and actuals reflect the actual increases in state and federal funding that became available after the original budget was adopted.

Capital Asset and Debt Administration Capital Assets - The District's investment in capital assets for its governmental activities as of June 30, 2024, amounted to \$74,075,082 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles and equipment.

District's Capital Assets
(net of depreciation)

	<u>2022-23</u>	<u>2023-24</u>
Land	\$ 13	\$ 13
WIP	27,604,694	33,676,865
Land Improvements	55,503	48,603
Buildings and Improvements	41,348,042	39,388,826
Vehicles	49,671	37,324
Equipment	725,286	782,044
Right to use assets	<u>-</u>	<u>141,407</u>
	<u>\$ 69,783,209</u>	<u>\$ 74,075,082</u>

Trenton Public Schools
Management's Discussion and Analysis
June 30, 2024

Debt - At the end of this year, the District has \$73,790,000 in general obligation bonds and \$10,692,075 in premiums on those bonds outstanding. This was an increase in bonds outstanding from the 2022-2023 year of \$2,950,000 and a decrease in premiums of \$127,969. During the fiscal year, the district passed an energy improvement bond for the amount of \$4,515,000. Other obligations include compensated absences, the School Loan Revolving Fund, and leases. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Factors bearing on the District's Future

The following factors were considered in preparing the District's budget for the 2023-24 fiscal year:

- One of the most important factors when setting the District's budget is determining both the foundation allowance as determined by the State of Michigan and the tax base for which local taxes will be received. Prior to Proposal A, schools were financed primarily through local property taxes. After passage of Proposal A, local taxation is capped at 18 mills levied on the taxable value of non-homestead property. After Proposal A, school funding was tied to each pupil counted in a district's membership. Districts receive a foundation allowance, which is a per-pupil amount initially determined in 1994-95 based on what the district was receiving on a per-pupil basis in 1993-94. A minimum level was established, a target level was determined, and a "cutoff" point for State Aid was set (\$6,500), with dollars above that point raised from local mills. Local revenue from the 18 mills was calculated at the State level on a per-pupil basis. The state then deducts the per-pupil local revenue from the foundation allowance or hold-harmless "guaranteed" per-pupil amount. Districts above the hold-harmless amount are allowed by law to levy additional mills (with voter approval) to achieve their prescribed foundation allowance. Trenton collected the hold-harmless millage through the 2023-2024 school year. Up until the 2020-21 fiscal year, that amount was \$542.11 per pupil. However in the 2020-21 fiscal year, when the new state budget was passed and signed into law, changes were made limiting the amount of the millage to be collected. The State of Michigan, in the attempt to make all foundation allowances equal for all pupils, increased the foundation allowance by \$589 to some districts, while others (Trenton) only received \$171. In addition, the law allowed the district to levy only \$257 per pupil in hold harmless millage. Because of this permanent reduction that is based on a per pupil count, the district will not be collecting hold-harmless millage in the 24-25 school year and near future. Approved by voters, the district will collect 2 mills specifically for a sinking fund that will provide more stable revenues as it is based on property tax values rather than the hold harmless millage.
- School districts will not receive a foundation increase in the fiscal year 2024-25. The foundation allowance will continue to be determined by multiplying the blended student count by the foundation allowance per pupil. For the 24-25 school year, the blended count is 10 percent and 90 percent of the February 2024 and September 2025 student counts respectively.
- Significant grants were received by the State of Michigan in the fiscal year 2023-24 to assist with safety and mental health. These grants were not continued in the state aid packaged passed to fund schools in the 2024-25 school year.
- The district has two unions, the TEA which is representative of the teachers and professional support staff for students, and the TPASA, which is representative of the paraprofessionals of the district. Both of these unions have agreements with district through their respective expiration dates in August 2025.
- Wayne County passed an Enhancement Millage county-wide that provides the district additional revenue to be used on educational expenditures as determined by the Board of Education. The 2-mill property tax was renewed in November 2021 for another 6 years expiring in the fall of 2028.
- The district is investing \$4.515 million in Energy Bond projects for the 2023-24 and 2024-25 fiscal years. These energy bonds will be used to upgrade the facilities with energy saving enhancements to the buildings and provide long term savings to the district.

Trenton Public Schools
Management's Discussion and Analysis
June 30, 2024

- During the 2024 fiscal year, the school district received a donation from the Estate of Sylvia Devine. At the request of the donor, \$500,000 will be set aside in a permanent endowment fund and interest earned from the funds is to be used for the purpose of issuing scholarships to students. The remaining funds will be used to improve district facilities.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, 2603 Charlton, Trenton, Michigan 48183.

BASIC FINANCIAL STATEMENTS

Trenton Public Schools
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash	\$ 11,894,384
Taxes receivable	78
Accounts receivable	177,859
Due from other governmental units	6,429,095
Due from fiduciary funds	645
Inventory	67,096
Investments	3,313,696
Prepaid items	156,732
Net OPEB asset	1,065,861
Capital assets not being depreciated	33,676,878
Capital assets - net of accumulated depreciation	<u>40,398,204</u>
 Total assets	 <u>97,180,528</u>
 Deferred Outflows of Resources	
Deferred amount on debt refunding	1,351,509
Deferred amount relating to the net pension liability	18,588,722
Deferred amount relating to the net OPEB asset	<u>4,037,221</u>
 Total deferred outflows of resources	 <u>23,977,452</u>

See Accompanying Notes to the Financial Statements

Trenton Public Schools
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
Liabilities	
Accounts payable	1,402,141
State aid anticipation note payable	2,510,000
Due to other governmental units	876,603
Payroll deductions and withholdings	1,353,557
Accrued expenditures	592,684
Accrued salaries payable	2,224,890
Unearned revenue	944,883
Long-term liabilities	
Net pension liability	62,483,500
Due within one year	1,830,941
Due in more than one year	<u>84,903,136</u>
Total liabilities	<u>159,122,335</u>
Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	10,523,146
Deferred amount relating to the net OPEB asset	<u>8,736,856</u>
Total deferred inflows of resources	<u>19,260,002</u>
Net Position	
Net investment in capital assets	(9,024,305)
Restricted for:	
Food service	523,413
Capital projects	1,277,241
Unrestricted	<u>(50,000,706)</u>
Total net position	<u>\$ (57,224,357)</u>

See Accompanying Notes to the Financial Statements

Trenton Public Schools
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Governmental activities				
Instruction	\$ 26,505,348	\$ 683,931	\$ 14,028,506	\$ (11,792,911)
Supporting services	14,964,006	1,259,680	1,986,577	(11,717,749)
Food services	1,210,459	107,012	1,242,713	139,266
Community services	278,176	344,733	46,916	113,473
Interest and fiscal charges on long-term debt	<u>3,772,376</u>	<u>-</u>	<u>-</u>	<u>(3,772,376)</u>
Total governmental activities	<u>\$ 46,730,365</u>	<u>\$ 2,395,356</u>	<u>\$ 17,304,712</u>	<u>(27,030,297)</u>
General revenues				
Property taxes, levied for general purposes				4,062,423
Property taxes, levied for debt service				5,003,355
State aid - unrestricted				21,149,877
Interest and investment earnings				653,131
Other				<u>2,407,684</u>
Total general revenues				<u>33,276,470</u>
Change in net position				6,246,173
Net position - beginning				<u>(63,470,530)</u>
Net position - ending				<u>\$ (57,224,357)</u>

See Accompanying Notes to the Financial Statements

Trenton Public Schools
Governmental Funds
Balance Sheet
June 30, 2024

		Formerly Nonmajor Fund		
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 8,924,431	\$ 1,650,064	\$ 1,319,889	\$ 11,894,384
Taxes receivable	39	-	39	78
Accounts receivable	177,859	-	-	177,859
Due from other funds	-	-	2,048,909	2,048,909
Due from other governmental units	6,375,422	-	53,673	6,429,095
Due from fiduciary funds	-	-	645	645
Inventory	36,922	-	30,174	67,096
Investments	-	1,333,408	1,980,288	3,313,696
Prepaid items	156,732	-	-	156,732
	<u>\$ 15,671,405</u>	<u>\$ 2,983,472</u>	<u>\$ 5,433,617</u>	<u>\$ 24,088,494</u>
Total assets				
Liabilities				
Accounts payable	\$ 350,598	\$ -	\$ 1,051,543	\$ 1,402,141
State aid anticipation note payable	2,510,000	-	-	2,510,000
Due to other funds	1,029,432	231,208	788,269	2,048,909
Due to other governmental units	678,969	-	197,634	876,603
Payroll deductions and withholdings	1,168,278	-	185,279	1,353,557
Accrued salaries payable	1,929,973	-	294,917	2,224,890
Unearned revenue	855,168	-	89,715	944,883
	<u>8,522,418</u>	<u>231,208</u>	<u>2,607,357</u>	<u>11,360,983</u>
Total liabilities				

See Accompanying Notes to the Financial Statements

Trenton Public Schools
Governmental Funds
Balance Sheet
June 30, 2024

		Formerly Nonmajor Fund		
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances				
Non-spendable				
Inventory	36,922	-	30,174	67,096
Prepaid items	156,732	-	-	156,732
Restricted for				
Food service	-	-	493,239	493,239
Debt service	-	-	417,676	417,676
Capital projects	-	1,277,241	1,419,082	2,696,323
Committed				
Student activities	-	-	466,089	466,089
Capital projects	-	1,475,023	-	1,475,023
Assigned for budgeted excess expenditures over revenues	2,455,303	-	-	2,455,303
Unassigned	<u>4,500,030</u>	<u>-</u>	<u>-</u>	<u>4,500,030</u>
 Total fund balances	 <u>7,148,987</u>	 <u>2,752,264</u>	 <u>2,826,260</u>	 <u>12,727,511</u>
 Total liabilities and fund balances	 <u>\$ 15,671,405</u>	 <u>\$ 2,983,472</u>	 <u>\$ 5,433,617</u>	 <u>\$ 24,088,494</u>

See Accompanying Notes to the Financial Statements

Trenton Public Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances for governmental funds	\$ 12,727,511
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	33,676,878
Capital assets - net of accumulated depreciation	40,398,204
Net OPEB asset is not recorded as an asset in the governmental funds.	1,065,861
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	1,351,509
Deferred outflows of resources resulting from the net pension liability	18,588,722
Deferred outflows of resources resulting from the net OPEB asset	4,037,221
Deferred inflows of resources resulting from the net pension liability	(10,523,146)
Deferred inflows of resources resulting from the net OPEB asset	(8,736,856)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(592,684)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability	(62,483,500)
Severance pay	(716,133)
Bonds payable	(84,482,075)
School loan revolving fund payable	(1,392,588)
Other loans payable and liabilities	<u>(143,281)</u>
Net position of governmental activities	<u>\$ (57,224,357)</u>

See Accompanying Notes to the Financial Statements

Trenton Public Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

		Capital Projects Funds			
		Formerly Major Fund	Formerly Major Fund	Formerly Nonmajor Fund	
	General Fund	Debt Service Fund	2018 Capital Projects Fund	Capital Projects Fund	Nonmajor Governmental Funds
					Total Governmental Funds
Revenues					
Local sources	\$ 5,981,084			\$ 1,397,565	\$ 8,931,806
State sources	30,450,271			-	2,680,635
Federal sources	1,829,538			-	619,514
Interdistrict sources	1,086,125			-	-
					1,086,125
Total revenues	39,347,018			1,397,565	12,231,955
					52,976,538
Expenditures					
Current					
Education					
Instruction	22,250,237			-	4,796,173
Supporting services	14,615,019			-	659,433
Food services	-			-	1,237,069
Community services	287,046			-	-
Intergovernmental payments	245,028			-	-
Capital outlay	509,197			847,812	6,750,503
Debt service					
Principal	24,359			-	1,565,000
Interest and other expenditures	-			-	3,738,370
					3,738,370
Total expenditures	37,930,886			847,812	18,746,548
					57,525,246
Excess (deficiency) of revenues over expenditures	1,416,132			549,753	(6,514,593)
					(4,548,708)

See Accompanying Notes to the Financial Statements

Trenton Public Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

			Capital Projects Funds			
		Formerly Major Fund	Formerly Major Fund	Formerly Nonmajor Fund		
	General Fund	Debt Service Fund	2018 Capital Projects Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)						
Proceeds from issuance of bonds	-			-	4,515,000	4,515,000
Premium on issuance of bonds	-			-	83,690	83,690
Proceeds from issuance of leases	167,640			-	-	167,640
Transfers in	-			650,000	122,536	772,536
Transfers out	<u>(772,536)</u>			<u>-</u>	<u>-</u>	<u>(772,536)</u>
Total other financing sources (uses)	<u>(604,896)</u>			<u>650,000</u>	<u>4,721,226</u>	<u>4,766,330</u>
Net change in fund balances	<u>811,236</u>			<u>1,199,753</u>	<u>(1,793,367)</u>	<u>217,622</u>
Fund balances - beginning, as previously presented	6,337,751	315,789	3,429,274	-	2,427,075	12,509,889
Change within financial reporting entity (presentation of major and nonmajor funds)	<u>-</u>	<u>(315,789)</u>	<u>(3,429,274)</u>	<u>1,552,511</u>	<u>2,192,552</u>	<u>-</u>
Fund balances - beginning, as adjusted	<u>6,337,751</u>			<u>1,552,511</u>	<u>4,619,627</u>	<u>12,509,889</u>
Fund balances - ending	<u>\$ 7,148,987</u>			<u>\$ 2,752,264</u>	<u>\$ 2,826,260</u>	<u>\$ 12,727,511</u>

See Accompanying Notes to the Financial Statements

Trenton Public Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances - Total governmental funds	\$ 217,622
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.	
Depreciation and amortization expense	(2,632,556)
Capital outlay	6,924,429
Expenses are recorded when incurred in the statement of activities.	
Interest	(80,183)
Severance payable	(43,331)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	10,838,651
Net change in deferrals of resources related to the net pension liability	(9,275,613)
The statement of net position reports the net OPEB asset and deferred outflows of resources and deferred inflows related to the net OPEB asset and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB asset	5,222,046
Net change in deferrals of resources related to the net OPEB asset	(1,794,098)
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.	
Debt issued	(4,766,330)
Repayments of long-term debt	1,589,359
Amortization of premiums	211,659
Amortization of deferred amount on debt refunding	<u>(165,482)</u>
Change in net position of governmental activities	<u>\$ 6,246,173</u>

See Accompanying Notes to the Financial Statements

Trenton Public Schools
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2024

	<u>Custodial Funds</u>
Assets	
Investments	<u>\$ 652,805</u>
Liabilities	
Due to agency fund activities	<u>645</u>
Net Position	
Assets held for endowments	500,000
Assets held for scholarships	<u>152,160</u>
Total net position	<u>\$ 652,160</u>

See Accompanying Notes to the Financial Statements

Trenton Public Schools
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
Additions	
Local sources	\$ 500,000
Interest and investment earnings	<u>39,426</u>
Total additions	539,426
Deductions	
Scholarships	<u>27,554</u>
Change in net position	511,872
Net position - beginning	<u>140,288</u>
Net position - ending	<u><u>\$ 652,160</u></u>

See Accompanying Notes to the Financial Statements

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Trenton Public Schools (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-Wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the School District as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross

expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District 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.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Fiduciary fund statements also are reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following major governmental funds:

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Capital Project Fund – The Capital Project Building and Site Fund is a capital project fund used to record the disbursement of invoices specifically for acquiring equipment and for remodeling and repairs.

Additionally, the School District reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Funds include the Cafeteria Fund, Hearing Impaired Fund, and Student Activity Fund.

Debt Service Fund – The Debt Service Fund is used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Capital Project Funds – The 2018 Capital Project Fund and the 2023 Energy Capital Projects Fund are used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The funds are kept open until the purpose for which the fund was created has been accomplished. Operating deficits generated by these activities are generally transferred from the General Fund.

Fiduciary Fund – The Fiduciary Fund is used to account for assets held by the School District in a trustee capacity or as an agent. The Custodial Fund is entrusted to the School District for scholarship awards and the principal and interest of the custodial funds may be spent.

Approximately, \$748,000 is excluded from the fiduciary funds because it is held by First Merchants Bank, the trustee, of the Grove Family Education Trust. The Trust provides educational scholarships to students of Trenton High School for higher education.

Assets, Liabilities and Net Position or Equity

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as "due from/to other funds". These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2024, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non-principal residence exemption	16.5121
Commercial personal property	7.4879
Non-excluded property	1.4879
Debt Service Funds	7.4300

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by Wayne County and remitted to the School District.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Investments – Investments are stated at fair value. Certificates of deposit are stated at cost which approximates fair value.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are capitalized as prepaid items in both district-wide and fund financial statements.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20 - 50 years
Site improvements	10 - 20 years
Equipment and furniture	5 - 20 years
Buses and other vehicles	7 - 10 years

Deferred outflows of resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.

Changes in assumptions and experience differences relating to the net pension and OPEB liabilities (assets) are deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities (assets) in the following year.

Severance Accrual – In the district-wide financial statements, accrued severance pay is based on longevity. Employees become eligible to receive severance payments upon termination of their employment after meeting certain criteria.

Long-term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

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

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

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

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities (assets) are deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance - In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable - amounts that are not available in a spendable form.

Restricted - amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed - amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned - amounts intended to be used for specific purposes, as determined by the Board of Education.

Unassigned - all other resources; the remaining fund balances after non-spendable, restrictions, commitments, and assignments.

During the 2024 fiscal year, the School District received a donation from the estate of Sylvia Devine. At the request of the donor, these amounts are to be restricted for use. In total, the School District received \$1,800,000. Of this amount, \$500,000 is to be held in a permanent endowment fund and interest earned from the funds is to be used for the purpose of issuing scholarships to students. This amount is held in the districts Custodial Fund. The remaining amount of \$1,300,000 is to be used to construct a multi-purpose activity center. Expenses related to this restriction were \$22,759 for the year ended June 30, 2024. This amount is held in the School Districts Capital Project Fund as restricted fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

The School District has adopted a minimum fund balance policy, as follows: the Board shall ensure that adequate funds are reserved for the General Fund to maintain a secure financial position whereby the fund equity shall not fall below 10% of the preceding year's expenditures. The School District was in compliance with this policy at June 30, 2024.

Use of Estimates

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

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful,

understandable and comprehensive information for users about accounting changes and error corrections.

Upcoming Accounting and Reporting Changes

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints. This statement is effective for the year ending June 30, 2025.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

The School District is evaluating the impact that the above GASBs will have on its financial reporting.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations.

Excess of Expenditures over Appropriations

The School District did not have significant expenditure budget variances.

Compliance – Bond Proceeds

2018 Building & Site Bond

Beginning with the year of bond issuance, the School District has reported the annual construction activity in the Capital Projects Fund. The project for which the 2018 Building & Site Bond was issued was considered complete on June 30, 2024, and the cumulative expenditures recognized for the construction period were \$59,297,354.

2023 Energy Bond

Beginning with the year of bond issuance, the School District has reported the annual construction activity in the Capital Projects Fund. The project for which the 2023 Energy Bond was issued was considered complete on June 30, 2024, and the cumulative expenditures recognized for the construction period were \$4,711,792.

	2023 Energy Capital Projects Fund	2018 Capital Projects Fund
Revenues	\$ 4,711,792	\$60,716,436
Expenditures	4,711,792	59,297,354

Note 3 - Deposits and Investments

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash	\$ 11,894,384	\$ -	\$ 11,894,384
Investments	3,313,696	652,805	3,966,501
	<u>\$ 15,208,080</u>	<u>\$ 652,805</u>	<u>\$ 15,860,885</u>

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 12,583,705
Investments in securities, mutual funds, and similar vehicles	<u>3,277,180</u>
Total	<u>\$ 15,860,885</u>

As of year end, the School District had the following investments:

Investment	Carrying Value	Maturities	Rating	Organization
External investment pools:				
Michigan Liquid Asset Fund (MILAF):				
MILAF + Portfolio				
Cash Management Class	\$ 83,628	< 60 days	AAAm	S&P
MAX Class	<u>3,193,552</u>	< 60 days	AAAm	S&P
	<u>\$3,277,180</u>			

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is discussed below.

As of June 30, 2024, the net asset value of the School District's investment in MILAF + Portfolio was \$3,277,180. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the School District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustees may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net

position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of \$1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

Interest rate risk – In accordance with its investment policy, the School District manages its exposure to declines in fair values by limiting the investment options.

Credit risk – State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

Concentration of credit risk – The School District has no policy that would limit the amount that may be invested with any one issuer.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of year end, \$11,957,796 of the School District's bank balance of \$12,457,796 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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. As of year end, none of the School District's investments were exposed to custodial credit risk.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Note 4 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 13	\$ -	\$ -	\$ 13
Construction-in-progress	<u>27,604,694</u>	<u>6,586,275</u>	<u>514,104</u>	<u>33,676,865</u>
Total capital assets not being depreciated	<u>27,604,707</u>	<u>6,586,275</u>	<u>514,104</u>	<u>33,676,878</u>
Capital assets being depreciated				
Buildings and additions	80,654,440	491,999	-	81,146,439
Site improvements	248,827	-	-	248,827
Equipment and furniture	3,611,868	186,513	-	3,798,381
Buses and other vehicles	342,117	6,106	-	348,223
Right to use asset - equipment and furniture	<u>-</u>	<u>167,640</u>	<u>-</u>	<u>167,640</u>
Total capital assets being depreciated	<u>84,857,252</u>	<u>852,258</u>	<u>-</u>	<u>85,709,510</u>
Less accumulated depreciation for				
Buildings and additions	39,306,398	2,451,215	-	41,757,613
Site improvements	193,324	6,900	-	200,224
Equipment and furniture	2,886,582	129,755	-	3,016,337
Buses and other vehicles	292,446	18,453	-	310,899
Right to use asset - equipment and furniture	<u>-</u>	<u>26,233</u>	<u>-</u>	<u>26,233</u>
Total accumulated depreciation	<u>42,678,750</u>	<u>2,632,556</u>	<u>-</u>	<u>45,311,306</u>
Net capital assets being depreciated	<u>42,178,502</u>	<u>(1,780,298)</u>	<u>-</u>	<u>40,398,204</u>
Net capital assets	<u>\$ 69,783,209</u>	<u>\$ 4,805,977</u>	<u>\$ 514,104</u>	<u>\$ 74,075,082</u>

Depreciation expense of capital assets and amortization expense of right to use assets were charged to activities of the School District as follows:

Governmental activities

Instruction	\$ 1,605,859
Supporting services	921,395
Food services	78,977
Community services	<u>26,326</u>

Total governmental activities \$ 2,632,556

Construction Contracts

At year end, the School District had several uncompleted construction contracts in the capital projects fund. The remaining commitment on these construction contracts was approximately \$1.4 million.

Note 5 - Interfund Receivables, Payables, and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 1,029,432
Capital Projects Fund	Nonmajor Governmental Funds	231,208
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>788,269</u>
		<u>\$ 2,048,909</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Interfund transfers consist of the following:

<u>Transfers in</u>	<u>Transfers Out</u>
	<u>General Fund</u>
Capital Projects Fund	\$ 650,000
Nonmajor governmental funds	<u>122,536</u>
	<u>\$ 772,536</u>

The transfers from the General Fund to the Capital Projects Fund were made to fund future capital expenditures in future periods. The transfer from the General Fund to the Nonmajor Governmental Funds were made to fund future debt service payments and food service program costs.

Note 6 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Grant and categorical aid payments received prior to meeting all eligibility requirements	\$ 807,715
Student meals	15,870
Other	<u>121,298</u>
Total	<u>\$ 944,883</u>

Note 7 - Leases

During the 2024 fiscal year, the School District entered into a 5 year lease agreement as lessee for the use of copiers. An initial lease liability was recorded in the amount of \$151,432 during the current fiscal year. As of June 30, 2024, the value of the lease liability was \$136,261. The School District is required to make annual principal and interest payments of \$36,995. The lease has an interest rate of 8.47%. The value of the right-to-use asset as of the end of the current fiscal year was \$134,498 and had accumulated amortization of \$16,934.

During the 2022 fiscal year, the School District entered into a 5 year lease agreement as lessee for the use of a postage machine. An initial lease liability was recorded in the amount of \$8,234. As of June 30, 2024, the value of the lease liability was \$4,085. The School District is required to make annual principal and interest payments of \$1,729. The lease has an interest rate of 2.00%. The value of the right-to-use asset as of the end of the current fiscal year was \$4,068 and had accumulated amortization of \$4,166.

During the 2021 fiscal year, the School District entered into a 5 year lease agreement as lessee for the use of a copier. An initial lease liability was recorded in the amount of \$7,974. As of June 30, 2024, the value of the lease liability was \$2,935. The School District is required to make annual principal and interest payments of \$1,922. The lease has an interest rate of 4.36%. The value of the right-to-use asset as of the end of the current fiscal year was \$2,841 and had accumulated amortization of \$5,133.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Annual requirements to amortize lease liabilities and related interest are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 29,941	\$ 10,705
2026	31,583	8,262
2027	32,047	5,668
2028	34,083	2,486
2029	<u>15,627</u>	<u>213</u>
Total	<u>\$ 143,281</u>	<u>\$ 27,334</u>

Note 8 - State Aid Anticipation Note

The School District issues state aid anticipation notes in advance of state aid collections, depositing the proceeds in the General Fund. These notes are necessary because the School District receives state aid from October through the following August for its fiscal year ending June 30th. The School District is required to pledge 100% of their state school aid, October through August, or until the note is repaid, whichever is longer. The State has discretion to accelerate repayment terms if they have cause for concern. If the note is in default status, there is a penalty interest rate that may apply.

Short-term debt activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Proceeds</u>	<u>Repayments</u>	<u>Ending Balance</u>
State aid anticipation note	<u>\$ 4,500,000</u>	<u>\$ 2,510,000</u>	<u>\$ 4,500,000</u>	<u>\$ 2,510,000</u>

Note 9 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General

obligation bonds are direct obligations and pledge the full faith and credit of the School District. For the School Loan Revolving Fund, the State may withhold state aid if the School District is in default or apply late charges in an instance of default or fails to appropriately levy debt mills. Other long-term obligations include severance payable and lease liabilities.

Long-term obligation activity is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds and notes payable					
General obligation bonds	\$ 70,840,000	\$ 4,515,000	\$ 1,565,000	\$ 73,790,000	\$ 1,730,000
Premium on bonds	<u>10,820,044</u>	<u>83,690</u>	<u>211,659</u>	<u>10,692,075</u>	<u>-</u>
Total bonds payable	<u>81,660,044</u>	<u>4,598,690</u>	<u>1,776,659</u>	<u>84,482,075</u>	<u>1,730,000</u>
Notes from direct borrowings and direct placements					
School Loan Revolving Fund	1,244,622	-	-	1,244,622	-
Accrued interest- SLRF	<u>89,130</u>	<u>58,836</u>	<u>-</u>	<u>147,966</u>	<u>-</u>
Total notes from direct borrowings and direct placements	<u>1,333,752</u>	<u>58,836</u>	<u>-</u>	<u>1,392,588</u>	<u>-</u>
Other liabilities					
Leases	-	167,640	24,359	143,281	29,941
Severance pay	<u>672,802</u>	<u>51,530</u>	<u>8,199</u>	<u>716,133</u>	<u>71,000</u>
Total other liabilities	<u>672,802</u>	<u>219,170</u>	<u>32,558</u>	<u>859,414</u>	<u>100,941</u>
Total	<u>\$ 83,666,598</u>	<u>\$ 4,876,696</u>	<u>\$ 1,809,217</u>	<u>\$ 86,734,077</u>	<u>\$ 1,830,941</u>

For governmental activities, severance pay and leases are primarily liquidated by the General Fund.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

General obligation bonds payable at year end, consist of the following:

2016 Refunding Bonds due in annual installments of \$1,070,000 to \$2,145,000 through May 1, 2038, interest at 4.00% to 5.00%	\$ 22,185,000
2023 Energy Bonds due in annual installments of \$75,000 to \$460,000 through May 1, 2044, interest at 4.25% to 4.38%	4,515,000
2018 School Building and Site Bonds due in annual installments of \$550,000 to \$4,650,000 through May 1, 2048, interest at 5.00%	<u>47,090,000</u>
Total general obligation bonded debt	<u>\$ 73,790,000</u>

Future principal and interest requirements for bonded debt and direct borrowings and direct placements are as follows:

Year Ending June 30,	Bonds	
	Principal	Interest
2025	\$ 1,730,000	\$ 3,635,126
2026	1,775,000	3,560,076
2027	1,865,000	3,483,338
2028	1,970,000	3,390,762
2029	2,075,000	3,293,050
2030-2034	12,090,000	14,812,512
2035-2039	15,570,000	11,480,616
2040-2044	19,410,000	7,296,508
2045-2048	<u>17,305,000</u>	<u>2,216,000</u>
Total	<u>\$ 73,790,000</u>	<u>\$ 53,167,988</u>

The general obligation bonds are payable from the Debt Service Funds. As of year end, the fund had a balance of \$417,676 to pay this debt. Future debt and interest will be payable from future tax levies.

Interest expenditures for the fiscal year in the Debt Service Fund was \$3,627,728.

School Loan Revolving Fund

The School District has borrowed from the Michigan School Bond Qualification and Loan Program. Repayment is due when the School District has funds available as determined by the State of Michigan. Interest accrues on the unpaid balance. During the year the interest rate was 4.55842 percent for the School Loan Revolving Fund.

The School District did not make any payments on the balance during the fiscal year and \$58,836 of accrued interest was added to the loan balance this year. The balance at June 30, 2024, are as follows:

	School Loan Revolving Fund
Loan balance	\$ 1,244,622
Interest balance	<u>147,966</u>
Total	<u>\$ 1,392,588</u>

Accrued Severance

Accrued severance at year end, consists of vested benefits. The School District expects \$71,000 to be paid out within the next fiscal year.

Deferred Amount on Refunding

The previous periods advance refunding related to the 2016 refunding bond resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,330,923. The amortized amount of \$1,351,509 is reported in the accompanying statement of net position as a deferred outflow of resources and is being charged to activities through fiscal year 2038.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Note 10 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District has purchased commercial insurance for general liability, property and casualty and health and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

Note 11 - Pension Plan

Plan Description

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

The System's pension plan was established by the State to provide retirement, survivor, and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2023.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	20.16%
Member Investment Plan	3.0 - 7.0%	20.16%
Pension Plus	3.0 - 6.4%	17.24%
Pension Plus 2	6.2%	19.95%
Defined Contribution	0.0%	13.75%

Required contributions to the pension plan from the School District were \$6,957,827 for the year ending September 30, 2023.

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

At June 30, 2024, the School District reported a liability of \$62,483,500 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2022. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2023, the School District's proportion was .1931 percent, which was a decrease of .0019 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized pension expense of \$7,859,398 for the measurement period. For the reporting period ending June 30, 2024, the School District recognized total pension contribution expense of \$7,797,722.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 1,972,413	\$ (95,715)	\$ 1,876,698
Changes of assumptions	8,466,799	(4,881,764)	3,585,035
Net difference between projected and actual earnings on pension plan investments	-	(1,278,615)	(1,278,615)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	853,620	(534,405)	319,215
Total to be recognized in future	11,292,832	(6,790,499)	4,502,333
School District contributions subsequent to the measurement date	7,295,890	(3,732,647)	3,563,243
Total	\$ 18,588,722	\$ (10,523,146)	\$ 8,065,576

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. The School District will offset the contribution expense in the year ended June 30, 2025, with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year
 (To Be Recognized in Future Pension Expenses)

2024	\$ 1,536,935
2025	1,189,723
2026	2,738,772
2027	<u>(963,097)</u>
	<u>\$ 4,502,333</u>

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2022
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans: 6.00% net of investment expenses
 - Pension Plus Plan: 6.00% net of investment expenses
 - Pension Plus 2 Plan: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 - 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
 - Retirees: PubT-2010 Male and Female 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 Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023, valuation. The total pension liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 4.4406 years.

Recognition period for assets is 5 years.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.8%
Private Equity Pools	16.0	9.6%
International Equity	15.0	6.8%
Fixed Income Pools	13.0	1.3%
Real Estate and Infrastructure Pools	10.0	6.4%
Absolute Return Pools	9.0	4.8%
Real Return/Opportunistic Pools	10.0	7.3%
Short Term Investment Pools	2.0	0.3%
	<u>100.0%</u>	

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

Rate of Return

For the plan year ended September 30, 2023, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 8.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan). 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension 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.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension plus plan, 6.00% for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease *	Current Single Discount Rate Assumption *	1% Increase *
5.00%	6.00%	7.00%
\$ 84,415,026	\$ 62,483,500	\$ 44,224,712

Michigan Public School Employees' Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public School Employees' Retirement System (MPERS)

There were no significant payables to the pension plan that are not ordinary accruals to the School District.

Note 12 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The

board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

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 with fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

dependency requirements set forth in Public Act 300 of 1980, as amended.

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

Under Public Act 300 of 2012, members were given the choice between continuing the 3% 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 were deposited into their 401(k) account.

Contributions

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued

liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022, valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2023.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.07%
Personal Healthcare Fund (PHF)	0.0%	7.21%

Required contributions to the OPEB plan from the School District were \$1,467,745 for the year ended September 30, 2023.

OPEB Liabilities or Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the School District reported an asset of \$1,065,861 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2023, and the total OPEB liability or asset used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2022. The School District's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2023, the School District's proportion was .1884 percent, which was a decrease of .0078 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized OPEB expense of \$(1,890,062) for the measurement period. For the reporting period ending June 30, 2024, the School District recognized total OPEB contribution expense of \$1,537,275.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$(8,054,196)	\$(8,054,196)
Changes of assumptions	2,372,793	(285,729)	2,087,064
Net difference between projected and actual earnings on OPEB plan investments	3,250	-	3,250
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>333,801</u>	<u>(396,931)</u>	<u>(63,130)</u>
Total to be recognized in future	2,709,844	(8,736,856)	(6,027,012)
School District contributions subsequent to the measurement date	<u>1,327,377</u>	<u>-</u>	<u>1,327,377</u>
Total	<u>\$ 4,037,221</u>	<u>\$(8,736,856)</u>	<u>\$(4,699,635)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as an addition to the OPEB asset in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
2024	\$(1,960,581)
2025	(1,834,808)
2026	(679,099)
2027	(684,929)
2028	(570,934)
Thereafter	<u>(296,661)</u>
	<u>\$(6,027,012)</u>

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2022
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

- Healthcare Cost Trend Rate: Pre-65: 7.50% Year 1 graded to 3.5% Year 15; Post-65: 6.25% Year 1 graded to 3.5% Year 15
- Mortality:
 - Retirees: PubT-2010 Male and Female 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 Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Other Assumptions:

- Opt Out Assumption: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total OPEB liability or asset as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees in years is 6.5099.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2022 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.8%
Private Equity Pools	16.0	9.6%
International Equity	15.0	6.8%
Fixed Income Pools	13.0	1.3%
Real Estate and Infrastructure Pools	10.0	6.4%
Absolute Return Pools	9.0	4.8%
Real Return/Opportunistic Pools	10.0	7.3%
Short Term Investment Pools	2.0	0.3%
	100.0%	

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

Rate of Return

For the plan year ended September 30, 2023, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 7.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Discount Rate

A discount rate of 6.00% was used to measure the total OPEB liability or asset. 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the 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 or asset.

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

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

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
\$ 1,104,978	\$ (1,065,861)	\$ (2,931,485)

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability or Asset to Healthcare Cost Trend Rate

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ (2,936,136)	\$ (1,065,861)	\$ 958,389

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2023 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 13 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2024.

Trenton Public Schools
Notes to the Financial Statements
June 30, 2024

Note 14 - Tax Abatements

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by the City of Trenton. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties.

There are no significant abatements made by the School District.

Note 15 - Changes Within the Financial Reporting Entity

During the year ended June 30, 2024, several funds that were reported as either major or nonmajor in the prior year were required to have a presentation change in the current year. These changes are shown in the financial statements as follows:

	Debt Service Fund	2018 Capital Projects Fund	Capital Projects Fund	Nonmajor Governmental Funds
June 30, 2023, as previously reported	\$ 315,789	\$ 3,429,274	\$ -	\$ 2,427,075
Adjustments:				
Change from major to nonmajor fund	(315,789)	(3,429,274)	-	3,745,063
Change from nonmajor to major fund	<u>-</u>	<u>-</u>	<u>1,552,511</u>	<u>(1,552,511)</u>
June 30, 2023, as adjusted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,552,511</u>	<u>\$ 4,619,627</u>

REQUIRED SUPPLEMENTARY INFORMATION

Trenton Public Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
Revenues				
Local sources	\$ 4,857,844	\$ 5,714,857	\$ 5,981,084	\$ 266,227
State sources	27,240,234	31,479,019	30,450,271	(1,028,748)
Federal sources	1,433,720	1,952,535	1,829,538	(122,997)
Interdistrict sources	850,000	1,095,356	1,086,125	(9,231)
 Total revenues	 34,381,798	 40,241,767	 39,347,018	 (894,749)
Expenditures				
Instruction				
Basic programs	17,052,901	18,396,257	17,761,079	(635,178)
Added needs	4,185,594	4,790,763	4,489,158	(301,605)
Supporting services				
Pupil	1,873,595	3,399,250	2,709,157	(690,093)
Instructional staff	1,908,057	1,865,683	1,718,012	(147,671)
General administration	579,123	678,159	652,622	(25,537)
School administration	2,082,666	2,208,366	2,141,805	(66,561)
Business	652,584	619,102	604,331	(14,771)
Operations and maintenance	3,575,837	4,384,590	3,797,899	(586,691)
Pupil transportation services	1,303,214	1,218,994	1,158,507	(60,487)
Central	1,515,685	1,447,832	1,226,147	(221,685)
Athletic activities	551,050	620,908	587,404	(33,504)
Other	11,500	19,500	19,135	(365)
Community services	275,580	335,823	287,046	(48,777)
Intergovernmental payments	280,000	259,920	245,028	(14,892)
Capital outlay	258,746	707,499	509,197	(198,302)
Debt service				
Principal	60,000	31,547	24,359	(7,188)
 Total expenditures	 36,166,132	 40,984,193	 37,930,886	 (3,053,307)
 Excess (deficiency) of revenues over expenditures	 (1,784,334)	 (742,426)	 1,416,132	 2,158,558

Trenton Public Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources (Uses)				
Proceeds from issuance of leases	-	184,975	167,640	(17,335)
Transfers out	<u>(650,024)</u>	<u>(772,538)</u>	<u>(772,536)</u>	<u>2</u>
Total other financing sources (uses)	<u>(650,024)</u>	<u>(587,563)</u>	<u>(604,896)</u>	<u>(17,333)</u>
Net change in fund balances	(2,434,358)	(1,329,989)	811,236	2,141,225
Fund balance - beginning	<u>6,337,751</u>	<u>6,337,751</u>	<u>6,337,751</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,903,393</u>	<u>\$ 5,007,762</u>	<u>\$ 7,148,987</u>	<u>\$ 2,141,225</u>

Trenton Public Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of the net pension liability (%)	0.1931%	0.1950%	0.1899%	0.1879%	0.1918%	0.1934%	0.1945%	0.1917%	0.1920%	0.1885%
B. School District's proportionate share of the net pension liability	\$ 62,483,500	\$ 73,322,151	\$ 44,955,394	\$ 65,161,554	\$ 63,511,618	\$ 58,130,573	\$ 50,399,189	\$ 47,834,133	\$ 46,899,849	\$ 41,526,703
C. School District's covered payroll	\$ 19,468,657	\$ 18,718,600	\$ 17,312,873	\$ 16,691,355	\$ 16,765,127	\$ 16,582,011	\$ 16,362,378	\$ 16,092,358	\$ 15,945,274	\$ 16,006,146
D. School District's proportionate share of the net pension liability as a percentage of its covered payroll	320.94%	391.71%	259.66%	390.39%	378.83%	350.56%	308.02%	297.25%	294.13%	259.44%
E. Plan fiduciary net position as a percentage of total pension liability	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2023.

Trenton Public Schools
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 7,797,722	\$ 6,888,742	\$ 6,479,514	\$ 5,689,651	\$ 5,334,353	\$ 5,077,653	\$ 4,915,904	\$ 3,252,408	\$ 3,284,967	\$ 2,927,993
B. Contributions in relation to statutorily required contributions	<u>7,797,722</u>	<u>6,888,742</u>	<u>6,479,514</u>	<u>5,689,651</u>	<u>5,334,353</u>	<u>5,077,653</u>	<u>4,915,904</u>	<u>3,252,408</u>	<u>3,284,967</u>	<u>2,927,993</u>
C. Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. School District's covered payroll	\$ 18,867,773	\$ 19,117,925	\$ 18,159,344	\$ 17,196,712	\$ 16,733,998	\$ 16,582,011	\$ 16,366,920	\$ 16,973,667	\$ 16,583,286	\$ 15,951,480
E. Contributions as a percentage of covered payroll	41.33%	36.03%	35.68%	33.09%	31.88%	30.62%	30.04%	19.16%	19.81%	18.36%

Trenton Public Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of the net OPEB liability (asset) (%)	0.1884%	0.1962%	0.1915%	0.1883%	0.1918%	0.1917%	0.1940%			
B. School District's proportionate share of the net OPEB liability (asset)	\$ (1,065,861)	\$ 4,156,185	\$ 2,923,369	\$ 10,085,775	\$ 13,770,801	\$ 15,243,643	\$ 17,175,421			
C. School District's covered payroll	\$ 19,468,657	\$ 18,718,600	\$ 17,312,873	\$ 16,691,355	\$ 16,765,127	\$ 16,582,011	\$ 16,362,378			
D. School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-5.47%	22.20%	16.89%	60.43%	82.14%	91.93%	104.97%			
E. Plan fiduciary net position as a percentage of total OPEB liability (asset)	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%			

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2023.

Trenton Public Schools
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 1,537,275	\$ 1,440,359	\$ 1,436,862	\$ 1,412,188	\$ 1,337,662	\$ 1,303,854	\$ 1,211,473			
B. Contributions in relation to statutorily required contributions	<u>1,537,275</u>	<u>1,440,359</u>	<u>1,436,862</u>	<u>1,412,188</u>	<u>1,337,662</u>	<u>1,303,854</u>	<u>1,211,473</u>			
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
D. School District's covered payroll	\$ 18,867,773	\$ 19,117,925	\$ 18,159,344	\$ 18,159,344	\$ 17,196,712	\$ 16,582,011	\$ 16,366,920			
E. Contributions as a percentage of covered payroll	8.15%	7.53%	7.91%	7.78%	7.78%	7.86%	7.40%			

OTHER SUPPLEMENTARY INFORMATION

Trenton Public Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2024

	Special Revenue Funds			Formerly Major Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Hearing Impaired Fund	Cafeteria Fund	Student Activity Fund	Debt Service Fund	Formerly Major Fund 2018 Capital Projects Fund	2023 Energy Capital Projects Fund	
Assets							
Cash	\$ -	\$ 318,880	\$ 721,037	\$ 279,972	\$ -	\$ -	\$ 1,319,889
Taxes receivable	-	-	-	39	-	-	39
Due from other funds	748,646	166,429	-	112,968	-	1,020,866	2,048,909
Due from other governmental units	-	53,673	-	-	-	-	53,673
Due from agency fund activities	645	-	-	-	-	-	645
Inventory	-	30,174	-	-	-	-	30,174
Investments	-	-	36,516	24,697	1,918,563	512	1,980,288
Total assets	\$ 749,291	\$ 569,156	\$ 757,553	\$ 417,676	\$ 1,918,563	\$ 1,021,378	\$ 5,433,617
Liabilities							
Accounts payable	\$ 531	\$ 26,958	\$ 2,676	\$ -	\$ -	\$ 1,021,378	\$ 1,051,543
Due to other funds	-	-	288,788	-	499,481	-	788,269
Due to other governmental units	197,634	-	-	-	-	-	197,634
Payroll deductions and withholdings	185,279	-	-	-	-	-	185,279
Accrued salaries payable	294,917	-	-	-	-	-	294,917
Unearned revenue	70,930	18,785	-	-	-	-	89,715
Total liabilities	749,291	45,743	291,464	-	499,481	1,021,378	2,607,357
Fund Balances							
Non-spendable							
Inventory	-	30,174	-	-	-	-	30,174
Restricted for							
Food service	-	493,239	-	-	-	-	493,239
Debt service	-	-	-	417,676	-	-	417,676
Capital projects	-	-	-	-	1,419,082	-	1,419,082
Committed							
Student activities	-	-	466,089	-	-	-	466,089
Total fund balances	-	523,413	466,089	417,676	1,419,082	-	2,826,260
Total liabilities and fund balances	\$ 749,291	\$ 569,156	\$ 757,553	\$ 417,676	\$ 1,918,563	\$ 1,021,378	\$ 5,433,617

Trenton Public Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	Special Revenue Funds			Formerly Major Fund	Capital Projects Funds		Formerly Nonmajor Fund	Total Nonmajor Governmental Funds
	Hearing Impaired Fund	Cafeteria Fund	Student Activity Fund	Debt Service Fund	2018 Capital Projects Fund	2023 Energy Capital Projects Fund	Capital Projects Fund	
Revenues								
Local sources	\$ 2,874,631	\$ 115,465	\$ 653,254	\$ 5,036,193	\$ 139,161	\$ 113,102		\$ 8,931,806
State sources	1,921,542	623,199	-	135,894	-	-		2,680,635
Federal sources	-	619,514	-	-	-	-		619,514
Total revenues	<u>4,796,173</u>	<u>1,358,178</u>	<u>653,254</u>	<u>5,172,087</u>	<u>139,161</u>	<u>113,102</u>		<u>12,231,955</u>
Expenditures								
Current								
Education								
Instruction	4,796,173	-	-	-	-	-		4,796,173
Supporting services	-	-	659,433	-	-	-		659,433
Food services	-	1,237,069	-	-	-	-		1,237,069
Capital outlay	-	-	-	-	2,149,353	4,601,150		6,750,503
Debt service								
Principal	-	-	-	1,565,000	-	-		1,565,000
Interest and other expenditures	-	-	-	3,627,728	-	110,642		3,738,370
Total expenditures	<u>4,796,173</u>	<u>1,237,069</u>	<u>659,433</u>	<u>5,192,728</u>	<u>2,149,353</u>	<u>4,711,792</u>		<u>18,746,548</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>121,109</u>	<u>(6,179)</u>	<u>(20,641)</u>	<u>(2,010,192)</u>	<u>(4,598,690)</u>		<u>(6,514,593)</u>

Trenton Public Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	Special Revenue Funds			Capital Projects Funds			
				Formerly Major Fund	Formerly Major Fund	Formerly Nonmajor Fund	Total Nonmajor Governmental Funds
	Hearing Impaired Fund	Cafeteria Fund	Student Activity Fund	Debt Service Fund	2018 Capital Projects Fund	2023 Energy Capital Projects Fund	
Other Financing Sources							
Proceeds from issuance of bonds	-	-	-	-	-	4,515,000	4,515,000
Premium on issuance of bonds	-	-	-	-	-	83,690	83,690
Transfers in	-	8	-	122,528	-	-	122,536
Total other financing sources	-	8	-	122,528	-	4,598,690	4,721,226
Net change in fund balances	-	121,117	(6,179)	101,887	(2,010,192)	-	(1,793,367)
Fund balances - beginning, as previously presented	-	402,296	472,268	-	-	-	2,427,075
Change within financial reporting entity (presentation of major and nonmajor funds)	-	-	-	315,789	3,429,274	-	2,192,552
Fund balances - beginning, as adjusted	-	402,296	472,268	315,789	3,429,274	-	4,619,627
Fund balances - ending	\$ -	\$ 523,413	\$ 466,089	\$ 417,676	\$ 1,419,082	\$ -	\$ 2,826,260