

Plainwell
Community
Schools



Year Ended
June 30, 2024

Financial
Statements

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PLAINWELL COMMUNITY SCHOOLS

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INDEPENDENT AUDITORS' REPORT

October 17, 2024

Board of Education
Plainwell Community Schools
Plainwell, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Plainwell Community Schools** (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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



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

Independent 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefit plans, as listed 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are 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, under separate cover, our report dated October 17, 2024, on our consideration of the District's 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



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MANAGEMENT'S DISCUSSION AND ANALYSIS

PLAINWELL COMMUNITY SCHOOLS

Management's Discussion and Analysis

As management of Plainwell Community Schools (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$11,371,901 (net position).
- The District's total net position increased by \$9,149,214.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$13,029,996, a decrease of \$16,345,936 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,400,411 or 9.4% percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements, including management's discussion and analysis, budgetary schedules, pension and other postemployment benefit schedules and combining statements and schedules for nonmajor funds.

Government-wide Financial Statements. The *government-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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference being *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated leave).

Both of the government-wide financial statements display functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The activities of the District include instruction, supporting services, food services, community services, and student/school activity. The District has no business-type activities as of and for the year ended June 30, 2024.

PLAINWELL COMMUNITY SCHOOLS

Management's Discussion and Analysis

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, bonded capital projects fund, non bonded capital projects fund, and 2020 refunding debt service fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. These funds include special revenue funds (i.e. food service, student/school activity) and several debt service funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to this management's discussion and analysis and the schedules for the MPERS pension and other postemployment benefits plans immediately following the notes to the financial statements. The combining statements referred to earlier in connection with nonmajor governmental funds and the detail budget and actual by activity schedule for the general fund are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District reported a deficit net position of \$11,371,901 at June 30, 2024. The requirement to report the District's proportionate share of the Michigan Public School Employees' Retirement System (MPERS) net pension liability on the statement of net position is a significant contributor to this deficit balance.

PLAINWELL COMMUNITY SCHOOLS

Management's Discussion and Analysis

A portion of the District's net position reflect its investment in capital assets net of related debt (e.g., land, buildings and improvements, machinery and equipment, and vehicles, less any related debt used to acquire those assets that is still outstanding). The District uses these capital assets to provide services to the students it serves; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to other external restrictions on how they may be used. The remaining balance of unrestricted net position, when available, may be used to meet the District's ongoing obligations to its general programs.

	Net Position	
	2024	2023
Assets		
Current and other assets	\$ 23,851,139	\$ 36,505,422
Capital assets, net	81,577,898	61,907,909
Total assets	<u>105,429,037</u>	<u>98,413,331</u>
Deferred outflows of resources	<u>18,740,183</u>	<u>21,173,391</u>
Liabilities		
Other liabilities	10,285,215	7,447,548
Long-term liabilities	112,845,006	124,940,932
Total liabilities	<u>123,130,221</u>	<u>132,388,480</u>
Deferred inflows of resources	<u>12,410,900</u>	<u>7,719,357</u>
Net position		
Net investment in capital assets	14,392,996	12,160,714
Restricted	3,457,771	939,444
Unrestricted (deficit)	(29,222,668)	(33,621,273)
Total net position (deficit)	<u>\$ (11,371,901)</u>	<u>\$ (20,521,115)</u>

The above analysis focuses on the net position. The change in net position of the District's governmental activities is discussed below. The deficit net position of \$11,371,901 is directly related to the net pension liability. The District's net investment in capital assets totaled \$14,392,996. This compares the original cost less depreciation of the District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. \$ 1,432,480 is restricted for debt service. An amount of \$1,173,586 is restricted for future food service expenses. An additional amount is restricted for other postemployment benefits of \$851,705. This results in an unrestricted deficit of \$29,222,668.

PLAINWELL COMMUNITY SCHOOLS

Management's Discussion and Analysis

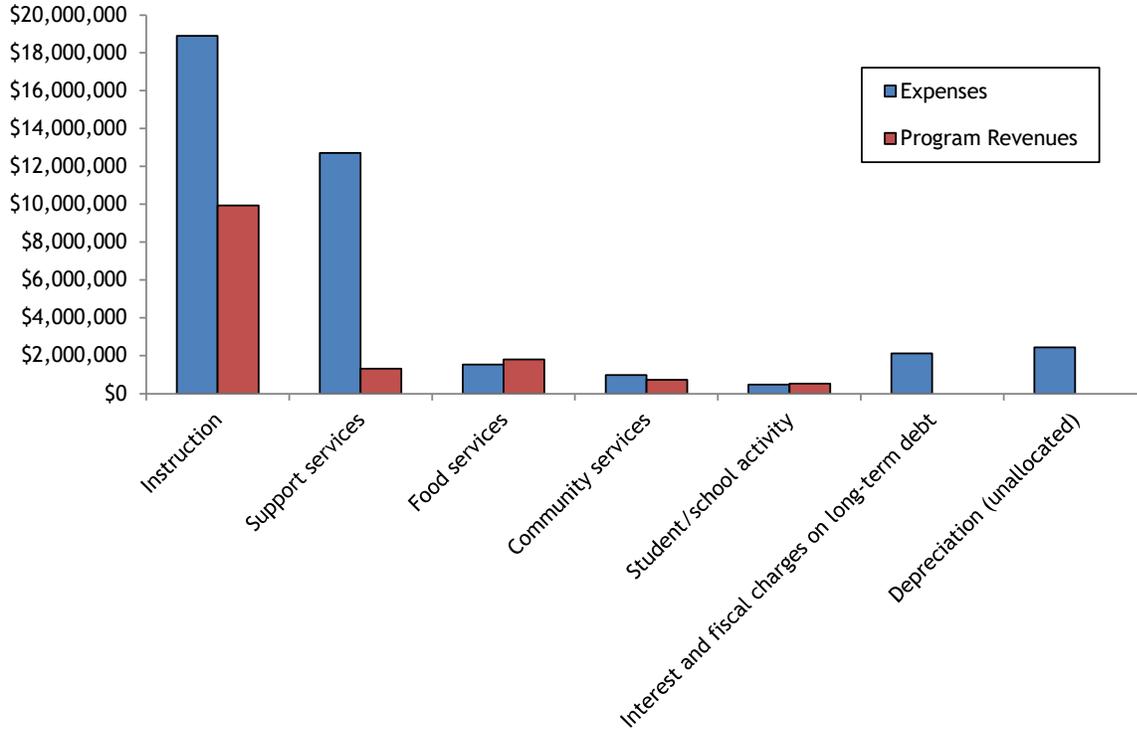
	Change in Net Position	
	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ 1,508,468	\$ 1,757,719
Operating grants and contributions	12,791,221	12,805,722
General revenues:		
Property taxes - operations	2,752,974	2,556,726
Property taxes - debt service	6,653,557	6,250,118
Unrestricted state aid	22,224,808	21,008,393
Unrestricted investment earnings	1,026,784	722,050
Other revenues	1,353,330	52,311
Total revenues	48,311,142	45,153,039
Expenses		
Instruction	18,907,818	18,911,552
Supporting services	12,706,282	12,613,488
Food services	1,527,073	1,080,051
Community services	979,888	1,025,282
Student/school activity	469,790	411,188
Interest and fiscal charges on long-term liabilities	2,123,454	1,914,455
Unallocated depreciation	2,447,623	2,063,238
Total expenses	39,161,928	38,019,254
Change in net position	9,149,214	7,133,785
Net position, beginning of year (deficit)	(20,521,115)	(27,654,900)
Net position, end of year (deficit)	\$ (11,371,901)	\$ (20,521,115)

Governmental Activities. Net position increased by \$9,149,214 compared to an increase of \$7,133,785 in the prior year. The main reason for the increase in overall net position was due to changes in the net pension liability and net OPEB asset and related deferred amounts. . Unrestricted state aid increased by \$1,216,415 primarily due to an increase in per pupil funding. Other revenues increased by \$1,301,019 due to an increase in restricted state revenue sources such as universal school meals and MPSERS funding. Food service expenses increased due the increased costs associated with all students receiving free lunch through the state of Michigan. Unallocated depreciation increased due the middle school addition of approximately \$12.9 million being placed into service at the end of the prior fiscal year. Over time, increases or decreases in the District's net position are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the District's operating results. However, the District's goal is to provide services to our students, not to generate profits. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the District.

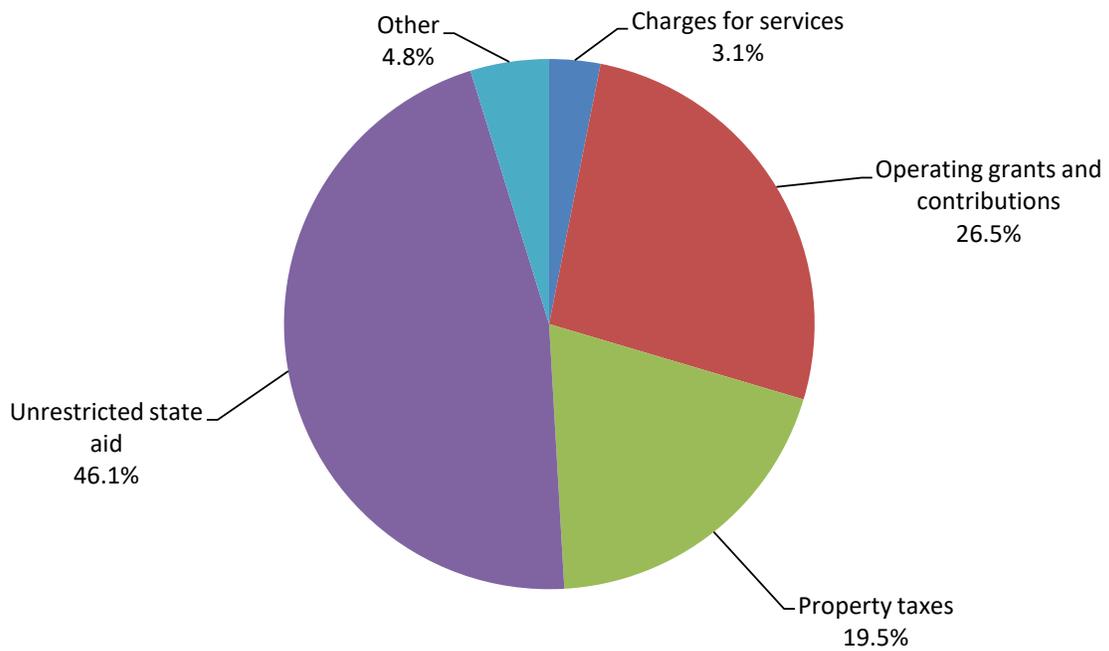
PLAINWELL COMMUNITY SCHOOLS

Management's Discussion and Analysis

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



PLAINWELL COMMUNITY SCHOOLS

Management's Discussion and Analysis

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,400,411, while the total fund balance was \$6,160,911. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 9.4% and 17.1%, respectively, of total general fund expenditures.

The fund balance of the District's general fund increased by \$46,657 from the prior year. The largest revenue source in this fund is state revenue which primarily includes state aid. Expenditures consist primarily of costs associated with instruction and related supporting activities.

The fund balance of the District's bonded capital projects fund decreased by \$20,469,470 from the prior year. The reason for the decrease was due to the expenditure of the 2022 bonds. The District maintains this fund in order to account for capital and infrastructure needs of the District.

The fund balance of the District's non bonded capital projects fund increased by \$2,246,977 from the prior year due to an additional transfer from the general fund. The District maintains this fund in order to plan and account for future capital and infrastructure needs of the District.

The fund balance of the District's 2020 refunding debt service fund was \$1,174,314. The District maintains this fund in order to account for expenditure for principal and interest related to the 2020 refunding bonds.

General Fund Budgetary Highlights

Amendments to the original adopted budget are passed in order to reflect changes in information and circumstances. Some of the more significant changes between the original adopted and final amended budgets were:

- An increase in state aid per pupil funding, not included in the original budget.
- An increase in restricted state funding sources.
- An increase in staffing salaries and benefits.

PLAINWELL COMMUNITY SCHOOLS

Management's Discussion and Analysis

In accordance with State statute, the District is prohibited from amending the budget after year-end. As the District's books are not closed for accounting purposes at that point, a certain level of estimation is required in determining actual need. The actual year end balances showed a variance in budgeted revenues of 0.39% and a variance in budgeted expenditures of (1.22%) overall. The 2023-2024 budget represents a financial outline for providing the best possible educational plan for students with available funds. It has been developed after discussion with Board Members, administrators, teachers and other interested persons in the District. Goals which were adopted by the Board of Education serve as the for budget development and it represents in monetary terms thousands of hours of student instruction, transportation, custodial services, building maintenance and things which together combine to make a successful school program.

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 \$81,577,898 (net of accumulated depreciation). Significant additions included the renovation of the Middle School, the field house, and the renovation of the elementary schools. Capital assets at year-end included the following:

	Capital Assets (Net of Depreciation)	
	2024	2023
Land	\$ 1,007,272	\$ 854,714
Construction in progress	27,508,754	9,034,581
Buildings and improvements	51,073,926	50,717,118
Technology	440,794	363,543
Equipment and furniture	317,501	287,516
Buses and other vehicles	657,427	505,164
Outside equipment	572,224	145,273
Total capital assets, net	\$ 81,577,898	\$ 61,907,909

Additional information on the District's capital assets can be found in Note 7 of this report.

Long-term Debt. At the end of the current fiscal year, the District had total long-term liabilities outstanding of \$64,770,166. The District's total debt decreased by \$3,160,055 during the current fiscal year due to current payments and amortization of bond issuance premiums and discounts.

	Long-term Debt	
	2024	2023
General obligation bonds	\$ 51,420,000	\$ 54,805,000
Unamortized bond premiums and discounts	1,765,492	1,926,478
School loan revolving fund	11,120,903	10,715,635
Compensated absences	463,771	483,108
Total long-term debt	\$ 64,770,166	\$ 67,930,221

Additional information on the District's long-term debt can be found in Note 8 of this report.

PLAINWELL COMMUNITY SCHOOLS

Management's Discussion and Analysis

Factors Bearing on the District's Future

The following factors were considered in preparing the District's budget for the 2024-2025 fiscal year:

- Student Enrollment - The District uses a conservative estimate in regards to student enrollment.
- Staffing Changes - The District estimates additional costs related to increases in staffing needs.
- Capital Assets - The District estimates and incorporates costs for equipment, technology and maintenance of 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 District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Director of Finance
Plainwell Community Schools
600 School Drive
Plainwell, MI 49080

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BASIC FINANCIAL STATEMENTS

PLAINWELL COMMUNITY SCHOOLS

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 16,241,081
Investments	153,925
Receivables	6,417,097
Other assets	187,331
Net other postemployment benefit asset	851,705
Capital assets not being depreciated	28,516,026
Capital assets being depreciated, net	<u>53,061,872</u>
Total assets	<u>105,429,037</u>
Deferred outflows of resources	
Deferred charge on advance bond refundings, net	435,823
Deferred pension amounts	15,115,685
Deferred other postemployment benefit amounts	<u>3,188,675</u>
Total deferred outflows of resources	<u>18,740,183</u>
Liabilities	
Accounts payable and accrued liabilities	7,672,429
Unearned revenue	2,612,786
Bonds, notes and other long-term liabilities:	
Due within one year	3,480,808
Due in more than one year	61,289,358
Net pension liability (due in more than one year)	<u>48,074,840</u>
Total liabilities	<u>123,130,221</u>
Deferred inflows of resources	
Deferred pension amounts	5,583,467
Deferred other postemployment benefit amounts	<u>6,827,433</u>
Total deferred inflows of resources	<u>12,410,900</u>
Net position	
Net investment in capital assets	14,392,996
Restricted for:	
Food service operations	1,173,586
Debt service	1,432,480
Other postemployment benefits	851,705
Unrestricted (deficit)	<u>(29,222,668)</u>
Total net position (deficit)	<u>\$ (11,371,901)</u>

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

PLAINWELL COMMUNITY SCHOOLS

Statement of Activities

For the Year Ended June 30, 2024

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction	\$ 18,907,818	\$ -	\$ 9,929,974	\$ (8,977,844)
Supporting services	12,706,282	163,924	1,143,878	(11,398,480)
Food services	1,527,073	91,936	1,717,369	282,232
Community services	979,888	726,691	-	(253,197)
Student/school activity	469,790	525,917	-	56,127
Interest and fiscal charges on long-term liabilities	2,123,454	-	-	(2,123,454)
Unallocated depreciation	2,447,623	-	-	(2,447,623)
Total governmental activities	<u>\$ 39,161,928</u>	<u>\$ 1,508,468</u>	<u>\$ 12,791,221</u>	<u>(24,862,239)</u>
General revenues				
Property taxes - operations				2,752,974
Property taxes - debt service				6,653,557
Unrestricted state aid				22,224,808
Unrestricted investment earnings				1,026,784
Other revenues				<u>1,353,330</u>
Total general revenues				<u>34,011,453</u>
Change in net position				9,149,214
Net position, beginning of year (deficit)				<u>(20,521,115)</u>
Net position, end of year (deficit)				<u>\$ (11,371,901)</u>

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

PLAINWELL COMMUNITY SCHOOLS

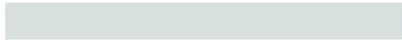
Balance Sheet

Governmental Funds

June 30, 2024

	General Fund	Bonded Capital Projects	Non Bonded Capital Projects	2020 Refunding Debt Service
Assets				
Cash and cash equivalents	\$ 7,411,490	\$ 2,249	\$ 5,677,255	\$ 988,023
Investments	153,728	197	-	-
Accounts receivable	63,105	-	-	-
Due from other governments	6,104,605	-	-	-
Due from other funds	86,807	96,618	1,000,000	186,291
Inventory	-	-	-	-
Prepaid items	152,009	-	-	-
Total assets	\$ 13,971,744	\$ 99,064	\$ 6,677,255	\$ 1,174,314
Liabilities				
Accounts payable	\$ 170,325	\$ 3,413,394	\$ -	\$ -
Accrued liabilities	3,660,364	-	-	-
Due to other funds	1,375,797	-	1,612	-
Unearned revenue	2,584,347	-	-	-
Total liabilities	7,790,833	3,413,394	1,612	-
Deferred inflows of resources				
Unavailable revenue	20,000	-	-	-
Fund balances				
Nonspendable	152,009	-	-	-
Restricted	-	-	-	1,174,314
Committed	-	-	-	-
Assigned	2,608,491	-	6,675,643	-
Unassigned (deficit)	3,400,411	(3,314,330)	-	-
Total fund balances	6,160,911	(3,314,330)	6,675,643	1,174,314
Total liabilities, deferred inflows of resources and fund balances	\$ 13,971,744	\$ 99,064	\$ 6,677,255	\$ 1,174,314

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



Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,162,064	\$ 16,241,081
-	153,925
5,939	69,044
243,448	6,348,053
95,445	1,465,161
30,223	30,223
5,099	157,108
<u>\$ 2,542,218</u>	<u>\$ 24,464,595</u>
\$ 91,073	\$ 3,674,792
1,496	3,661,860
87,752	1,465,161
28,439	2,612,786
<u>208,760</u>	<u>11,414,599</u>
-	20,000
35,322	187,331
1,732,207	2,906,521
565,929	565,929
-	9,284,134
-	86,081
<u>2,333,458</u>	<u>13,029,996</u>
<u>\$ 2,542,218</u>	<u>\$ 24,464,595</u>

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PLAINWELL COMMUNITY SCHOOLS

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2024

Fund balances - total governmental funds \$ 13,029,996

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets not being depreciated	28,516,026
Capital assets being depreciated, net	53,061,872

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds, notes and other long-term liabilities	(62,540,903)
Compensated absences	(463,771)
Unamortized bond premiums and discounts, net	(1,765,492)
Unamortized deferred charge on advance bond refunding	435,823
Accrued interest on bonds payable	(335,777)

The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance.

Deferred inflows for unavailable revenue - grants	20,000
---	--------

Certain pension and other postemployment benefit-related amounts, such as the net pension liability and other postemployment benefit asset and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Net pension liability	(48,074,840)
Deferred outflows of resources related to the net pension liability	15,115,685
Deferred inflows of resources related to the net pension liability	(5,583,467)
Net other postemployment benefit asset	851,705
Deferred outflows of resources related to the net other postemployment benefit asset	3,188,675
Deferred inflows of resources related to the net other postemployment benefit asset	(6,827,433)

Net position of governmental activities \$ (11,371,901)

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

PLAINWELL COMMUNITY SCHOOLS

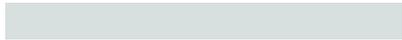
Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2024

	General Fund	Bonded Capital Projects	Non Bonded Capital Projects	2020 Refunding Debt Service
Revenues				
Local sources	\$ 5,547,272	\$ 778,709	\$ 1,400,824	\$ 4,955,322
State sources	29,729,880	-	-	89,762
Federal sources	1,822,928	-	-	-
Total revenues	<u>37,100,080</u>	<u>778,709</u>	<u>1,400,824</u>	<u>5,045,084</u>
Expenditures				
Current:				
Instruction	20,782,759	-	-	-
Supporting services	14,159,900	-	-	-
Community services	1,025,811	-	-	-
Food services	-	-	-	-
Student/school activity	-	-	-	-
Debt service:				
Principal	-	-	-	3,071,721
Interest and fiscal charges	-	-	1,289	1,110,115
Facilities capital outlay	124,953	21,248,179	152,558	-
Total expenditures	<u>36,093,423</u>	<u>21,248,179</u>	<u>153,847</u>	<u>4,181,836</u>
Revenues over (under) expenditures	<u>1,006,657</u>	<u>(20,469,470)</u>	<u>1,246,977</u>	<u>863,248</u>
Other financing sources (uses)				
Transfers in	40,000	-	1,000,000	100
Transfers out	(1,000,000)	-	-	-
Issuance of long-term debt	-	-	-	235,100
Total other financing sources (uses)	<u>(960,000)</u>	<u>-</u>	<u>1,000,000</u>	<u>235,200</u>
Net change in fund balances	<u>46,657</u>	<u>(20,469,470)</u>	<u>2,246,977</u>	<u>1,098,448</u>
Fund balances, beginning of year	<u>6,114,254</u>	<u>17,155,140</u>	<u>4,428,666</u>	<u>75,866</u>
Fund balances, end of year (deficit)	<u>\$ 6,160,911</u>	<u>\$ (3,314,330)</u>	<u>\$ 6,675,643</u>	<u>\$ 1,174,314</u>

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



Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,239,720	\$ 14,921,847
691,384	30,511,026
<u>1,055,341</u>	<u>2,878,269</u>
<u>3,986,445</u>	<u>48,311,142</u>
-	20,782,759
-	14,159,900
-	1,025,811
1,535,630	1,535,630
469,790	469,790
525,000	3,596,721
1,066,362	2,177,766
-	<u>21,525,690</u>
<u>3,596,782</u>	<u>65,274,067</u>
<u>389,663</u>	<u>(16,962,925)</u>
-	1,040,100
(40,100)	(1,040,100)
<u>381,889</u>	<u>616,989</u>
<u>341,789</u>	<u>616,989</u>
731,452	(16,345,936)
<u>1,602,006</u>	<u>29,375,932</u>
<u>\$ 2,333,458</u>	<u>\$ 13,029,996</u>

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PLAINWELL COMMUNITY SCHOOLS

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds \$ (16,345,936)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets purchased/constructed	22,117,612
Depreciation expense	(2,447,623)

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but a reduction in long-term debt on the statement of net position.

Principal payments on bonds, notes and other long-term liabilities	3,596,721
Issuance of long-term debt	(616,989)
Amortization of bond premiums and discounts, net	160,986
Amortization of deferred charge on advance bond refunding	(108,955)

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

Change in the net pension liability and related deferred amounts	152,214
Change in the net other postemployment benefit asset/liability and related deferred	2,619,566
Change in accrued interest payable on bonds	2,281
Change in compensated absences payable	19,337

Change in net position of governmental activities \$ 9,149,214

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

PLAINWELL COMMUNITY SCHOOLS

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources	\$ 4,767,559	\$ 5,517,757	\$ 5,547,272	\$ 29,515
State sources	26,771,974	29,572,475	29,729,880	157,405
Federal sources	2,074,089	1,865,297	1,822,928	(42,369)
Total revenues	33,613,622	36,955,529	37,100,080	144,551
Expenditures				
Current:				
Instruction	19,848,122	20,952,430	20,782,759	(169,671)
Supporting services	13,269,656	14,403,636	14,159,900	(243,736)
Community services	1,133,465	1,057,424	1,025,811	(31,613)
Facilities capital outlay	500,000	125,000	124,953	(47)
Total expenditures	34,751,243	36,538,490	36,093,423	(445,067)
Revenues over (under) expenditures	(1,137,621)	417,039	1,006,657	589,618
Other financing sources (uses)				
Transfers in	20,000	40,000	40,000	-
Transfers out	-	-	(1,000,000)	(1,000,000)
Total other financing sources (uses)	20,000	40,000	(960,000)	(1,000,000)
Net change in fund balance	(1,117,621)	457,039	46,657	(410,382)
Fund balance, beginning of year	6,114,254	6,114,254	6,114,254	-
Fund balance, end of year	\$ 4,996,633	\$ 6,571,293	\$ 6,160,911	\$ (410,382)

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

NOTES TO FINANCIAL STATEMENTS

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of Plainwell Community Schools (the “District”), consistently applied in the preparation of the accompanying financial statements, is as follows:

The Reporting Entity

As required by generally accepted accounting principles, these financial statements present the reporting entity of Plainwell Community Schools. The criteria identified in GAAP, including financial accountability, have been utilized in identifying the District’s reporting entity which includes no component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District had no *business-type activities* during the year ended June 30, 2024.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure-driven grants. 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, are recorded only when payment is due.

Property taxes, State aid, expenditure-driven grant revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund - This fund is the District's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Bonded Capital Projects Fund - This fund is used to record the issuance of capital debt and the acquisition of capital assets or construction of major capital projects.

Non Bonded Capital Projects Fund - This fund is used to record the acquisition of capital assets or construction of major capital projects.

2020 Refunding Debt Service Fund - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest related to the 2020 refunding bonds.

Additionally, the District reports the following fund types:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. The District had no capital grants and contributions for the year ended June 30, 2024. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, unrestricted grants and interest income.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

The effect of interfund activity has been eliminated from the government-wide financial statements.

Property Taxes

Property taxes are recognized as revenue in the general and debt service funds on a levy year basis. The 2023 levy amounts are recognized as current property tax revenue to the extent that they are collected during the year or within 60 days after year-end. Collections of delinquent taxes in subsequent years are recognized as property tax revenues in the year collected. Property taxes are levied December 1 on the assessed valuation of property located in the District as of the preceding December 31, the lien date. Assessed values are established annually by the various governmental units within the District and are equalized by the State of Michigan.

Cash and Cash Equivalents

The District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Investments

Investments are stated at fair value. Investments also consist of participation in an external investment pool. In accordance with GASB 79, the District's shares are recorded at amortized cost, which approximates fair value.

State statutes authorize the District to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 9140 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

Receivables

The District follows the practice of recording revenues that have been earned but not yet received as receivables. Receivables consist primarily of state aid payments from the State of Michigan, and federal grant funds earned but not yet collected. No amounts have been identified as potentially uncollectible by management, and therefore, no amount has been recorded as a provision for bad debts.

Inventory and Prepaid Items

Inventories are stated at cost using the first-in, first-out method, and consist primarily of food and office supplies. USDA donated commodities in the food service fund are recorded at fair value. Inventories are recorded as assets until consumed, at which time an expenditure is recorded.

Payments to vendors for services that will benefit periods beyond a fund's fiscal year-end are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as assets until consumed, at which time an expenditure is recorded.

Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the District are depreciated using the straight line method over the following estimated useful lives:

	Years
Buildings and improvements	20-50
Land improvements	5-10
Technology	3-5
Equipment and furniture	5-10
Buses and other vehicles	5-10
Outside equipment	5-40

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a period or future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows for the charge on advance refunding. This amount represents the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also reports deferred outflows of resources related to the net pension liability and the net other postemployment benefit asset. A portion of these costs represent contributions to the plan subsequent to the plan measurement date.

Salaries Payable and Accrued Employee Benefits

A liability is recorded at June 30 for those amounts owed to teachers and other employees of the District who do not work during the summer when school is not in session but have elected to have their salaries paid over an entire year. This has the effect of properly charging their salaries to expenditures in the fiscal year in which their services are received, even though they are not paid until July and August of the following fiscal year.

The liability for accrued retirement and the employer share of FICA related to the salaries payable has been recorded, as has the liability for employee health insurances for the months of July and August. The District pays these insurances for this period as a part of the compensation for services rendered in the preceding school year.

Compensated Absences

It is the District's policy to permit employees to accumulate various earned but unused vacation and sick pay benefits. These accrued when earned in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods, and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also reports deferred inflows of resources related to pension and other postemployment benefit costs in the government-wide statement of net position.

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

Long-term Obligations

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

In the fund financial statements, governmental fund types recognized bond premiums and discounts, during the current period. The face amount of debt issued is reported as an other financing source. Discounts and premiums on debt issuances are reported as other financing uses and sources, respectively.

Fund Equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education. A formal resolution of the Board of Education is required to establish, modify, or rescind a fund balance commitment. The District reports assigned fund balance for amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by the Board of Education and this authority has not been delegated. Unassigned fund balance is the residual classification for the general fund. Other governmental funds besides the general fund can only report a negative unassigned fund balance, which would occur if expenditures were to be incurred for specific purposes that exceeded the amounts restricted, committed or assigned in the fund.

When the District incurs an expenditure for purposes for which various fund balance classifications can be used, it is the District's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The amounts recorded as subsidies or advances are determined by the District. Balances outstanding at year-end are reported as due to/from other funds.

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

Pension and Other Postemployment Benefits

For purposes of measuring the net pension liability and net other postemployment benefit asset, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefit expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. ACCOUNTABILITY AND BUDGETARY COMPLIANCE

Budgets and Budgetary Accounting

Budgets are adopted for general and special revenue funds as required by state law and are adopted on a basis consistent with generally accepted accounting principles (GAAP). The District considers the debt service payment schedule to be an adequate budgetary control for the debt service funds. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent submits to the Board a proposed operating budget for the fiscal year commencing the following July 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all required governmental funds.
5. Adoption and amendments of all budgets used by the District are governed by Public Act 621, which was followed for the year ended June 30, 2024. Expenditures may not exceed appropriations at the function code level. The appropriations resolutions are based on the projected expenditures budget of the department heads of the District. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

Excess of Expenditures over Appropriations in Budgetary Funds

Budgets are presented in the accompanying combining and individual fund financial statements and schedules are presented in greater detail than the legal level of compliance. During the year ended June 30, 2024, the District incurred the following expenditure in excess of the amounts appropriated.

	Final Budget	Actual	Variance
General Fund			
Transfers out	\$ -	\$ 1,000,000	\$ 1,000,000
Student/School Activity Fund			
Current - student/school activity	445,000	469,790	24,790

Bonded Capital Projects Fund Balance Deficit

The District is reporting a deficit of \$(3,314,330) in its Bonded Capital Projects fund. The third and final series of the bonds were sold on July 10, 2024 for approximately \$8.6 million covering the deficit.

3. STATE OF MICHIGAN SCHOOL AID

The District reports State of Michigan school aid in the fiscal year in which the District is entitled to the revenue as provided by State of Michigan school aid appropriation acts. State funding represented 80% of the District's general fund revenue during the 2024 fiscal year.

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS

The captions on the financial statements relating to cash and investments are as follows:

	Governmental Activities
Cash and cash equivalents	\$ 16,241,081
Investments	<u>153,925</u>
Total	<u>\$ 16,395,006</u>

Cash and investments are comprised of the following at year-end:

Checking and savings accounts	\$ 14,156,546
Certificates of deposit (due in less than 1 year)	1,025
Investments:	
Michigan liquid asset fund plus (MILAF+)	153,728
Michigan class	202,246
Government bonds	1,881,361
Cash on hand	<u>100</u>
Total	<u>\$ 16,395,006</u>

Cash and cash equivalents are comprised of deposits in various financial institutions located in Michigan. State policy limits the District's investing options to financial institutions located in Michigan. All accounts are in the name of the District and a specific fund or common account.

The District chooses to disclose its investments by specifically identifying each. As of year-end, the District had the following investments:

	Maturity	Carrying Value	Rating
External investment pools:			
Michigan Liquid Asset Fund (MILAF):			
MILAF + Portfolio:			
Cash management class	N/A	\$ 518	AAAm S&P
MAX class	N/A	153,210	AAAm S&P
Michigan CLASS pool	N/A	202,246	AAAm S&P
Government bonds	3/31/2025	<u>1,881,361</u>	Aaa Moody's
Total		<u>\$ 2,237,335</u>	

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

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

Investment and Deposit Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified above. The District's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturity dates for the District's investments are identified above. The MILAF+ and Michigan class investments do not have a stated maturity date.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of District's specific financial institutions, qualified mutual funds, and qualified external investment pools as identified above. The District's investment policy does not have specific limits in excess of state law on investment credit risk. The ratings for each investment are identified previously for investments held at year-end.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District minimizes this risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors to be in compliance with the requirements set forth in the District's investment policy. As of year-end, \$15,908,849 of the District's bank balance of \$16,159,874 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes this risk by pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors to be in compliance with the requirements set forth in the District's investment policy. Of the external investment pools the District's custodial credit risk exposure can not be determined because they contain mutual funds which do not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified above. The District's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

The District's investment in the Michigan Liquid Asset Fund (MILAF) is carried at amortized cost (which approximates fair value). The District holds shares in the Michigan CLASS government investment pool whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

At June 30, 2024, the net asset value of the District's investment in the Michigan CLASS government investment pool was \$202,246. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2024, the District's investment in government bonds is considered a Level 2 investment. The fair value of the District's Level 2 investment is determined primarily by a matrix pricing technique, which is used to value securities based on their relationship to benchmark quoted prices. Due to the inherent uncertainty of determining the fair value of investments that are not publicly traded, the fair value reported for this investment may differ significantly from the values that would have been used had a publicly traded market existed for such an investment.

5. RECEIVABLES AND PAYABLES

Receivables in the government-wide financial statements at year-end are as follows:

	Governmental Activities
Accounts	\$ 69,044
Due from other governments	<u>6,348,053</u>
Totals	<u><u>\$ 6,417,097</u></u>

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Notes to Financial Statements

Accounts payable and accrued liabilities in the government-wide financial statements at year-end are as follows:

	Governmental Activities
Accounts	\$ 3,674,792
Accrued liabilities	3,661,860
Interest payable on long-term debt	<u>335,777</u>
Totals	<u><u>\$ 7,672,429</u></u>

6. INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024, was as follows:

	Due from Other Funds	Due to Other Funds
Major governmental funds		
General fund	\$ 86,807	\$ 1,375,797
Bonded capital projects	96,618	-
Non bonded capital projects	1,000,000	1,612
2020 refunding	186,291	-
Nonmajor governmental funds		
Food service	13,381	60,428
Student/school activity	20,584	27,324
2017 refunding	7,071	-
2022 bonds	<u>54,409</u>	<u>-</u>
Total	<u><u>\$ 1,465,161</u></u>	<u><u>\$ 1,465,161</u></u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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For the year ended June 30, 2024, interfund transfers consisted of the following:

Transfers Out	Transfers In			Total
	General Fund	Non Bonded Capital Projects	2020 Refunding	
General fund	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Nonmajor governmental funds	40,000	-	100	40,100
Total	<u>\$ 40,000</u>	<u>\$ 1,000,000</u>	<u>\$ 100</u>	<u>\$ 1,040,100</u>

Transfers are used to: (1) to cover direct and indirect costs paid by general fund on behalf of the food service fund; and (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due. The District transferred \$1,000,000 from the general fund to the non bonded capital project fund to save for future capital and infrastructure needs of the District.

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Notes to Financial Statements

7. CAPITAL ASSETS

A summary of changes in capital assets activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 854,714	\$ 152,558	\$ -	\$ -	\$ 1,007,272
Construction in progress	9,034,581	19,168,904	-	(694,731)	27,508,754
	<u>9,889,295</u>	<u>19,321,462</u>	<u>-</u>	<u>(694,731)</u>	<u>28,516,026</u>
Capital assets, being depreciated:					
Buildings and improvements	86,956,206	1,674,415	(5,490)	694,731	89,319,862
Land improvements	650,030	-	-	-	650,030
Technology	1,633,149	196,411	(43,010)	-	1,786,550
Equipment and furniture	3,737,704	115,336	(5,346)	-	3,847,694
Buses and other vehicles	1,679,447	332,590	(80,819)	-	1,931,218
Outside equipment	975,012	477,398	-	-	1,452,410
	<u>95,631,548</u>	<u>2,796,150</u>	<u>(134,665)</u>	<u>694,731</u>	<u>98,987,764</u>
Less accumulated depreciation for:					
Buildings and improvements	(36,239,088)	(2,012,338)	5,490	-	(38,245,936)
Land improvements	(650,030)	-	-	-	(650,030)
Technology	(1,269,606)	(119,160)	43,010	-	(1,345,756)
Equipment and furniture	(3,450,188)	(85,351)	5,346	-	(3,530,193)
Buses and other vehicles	(1,174,283)	(180,327)	80,819	-	(1,273,791)
Outside equipment	(829,739)	(50,447)	-	-	(880,186)
	<u>(43,612,934)</u>	<u>(2,447,623)</u>	<u>134,665</u>	<u>-</u>	<u>(45,925,892)</u>
Total capital assets being depreciated, net	<u>52,018,614</u>	<u>348,527</u>	<u>-</u>	<u>694,731</u>	<u>53,061,872</u>
Governmental activities capital assets, net	<u>\$ 61,907,909</u>	<u>\$ 19,669,989</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,577,898</u>

Depreciation expense is reported as unallocated in the statement of activities.

At June 30, 2024, the District had outstanding commitments through construction contracts of approximately \$6,259,000.

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Notes to Financial Statements

8. BONDS, NOTES AND OTHER LONG-TERM LIABILITIES

The following is a summary of bonds, notes, and other long-term liabilities activity of the District for the year ended June 30, 2024:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 54,805,000	\$ -	\$ (3,385,000)	\$ 51,420,000	\$ 3,050,000
Direct borrowing -					
School loan revolving fund	10,715,635	616,989	(211,721)	11,120,903	-
Unamortized premiums and discounts	1,926,478	-	(160,986)	1,765,492	160,986
Compensated absences	483,108	227,289	(246,626)	463,771	269,822
Total governmental activities	<u>\$ 67,930,221</u>	<u>\$ 844,278</u>	<u>\$ (4,004,333)</u>	<u>\$ 64,770,166</u>	<u>\$ 3,480,808</u>

General obligation bonds

\$26,800,000 2017 Refunding serial bond due beginning in 2020 in annual installments of \$150,000 to \$2,760,000 through 2028 interest at 2.00% to 3.00%	\$ 600,000
\$18,350,000 2020 Serial bond due beginning in 2023 in annual installments of \$1,115,000 to \$3,050,000 through 2029 interest at 1.00% to 1.90%	13,005,000
\$14,455,000 2020 School building and site bond due beginning in 2022 in annual installments of \$100,000 to \$695,000 through 2050 interest at 2.00% to 5.00%	13,955,000
\$24,235,000 2022 School building and site bond due beginning in 2024 in annual installments of \$100,000 to \$1,770,000 through 2052 interest at 4.00% to 5.00%	<u>23,860,000</u>
Total	<u>\$ 51,420,000</u>

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Future principal and interest payment requirements on outstanding bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 3,050,000	\$ 1,632,069	\$ 4,682,069
2026	3,420,000	1,583,319	5,003,319
2027	3,145,000	1,522,811	4,667,811
2028	3,200,000	1,470,391	4,670,391
2029	1,215,000	1,410,991	2,625,991
2030-2034	6,395,000	6,368,212	12,763,212
2035-2039	7,440,000	5,130,218	12,570,218
2040-2044	8,750,000	3,396,914	12,146,914
2045-2049	10,375,000	2,017,914	12,392,914
2050-2052	4,430,000	317,550	4,747,550
Totals	\$ 51,420,000	\$ 24,850,389	\$ 76,270,389

The State of Michigan school loan funds represent amounts borrowed from the State of Michigan school loan revolving fund to supplement property tax revenue for making payments on the District's general obligation bonds. Although interest accrues each year, no payment is due until such time as the District's property tax revenue is sufficient to support the debt service requirements on the general obligation bonds. Changes to the school loan funds for the year ended June 30, 2024, are as follows:

	Principal	Interest	Total
Beginning balance	\$ 10,715,635	\$ 56,772	\$ 10,772,407
Additions	616,989	494,656	1,111,645
Deductions	(211,721)	(486,329)	(698,050)
Ending balance	\$ 11,120,903	\$ 65,099	\$ 11,186,002

Compensated absences are expected to be liquidated by the general and food service funds.

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Notes to Financial Statements

9. PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS

Plan Description

The Michigan Public School Employees' Retirement System (the "System" or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (the "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 at the ORS website at www.michigan.gov/orsschools.

Pension Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. 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% to 1.50%. 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 member 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.

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Participants in the defined contribution plan consist of one of the following: (1) members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan; (2) members who elected to transfer from the defined benefit plan to the defined contribution plan under the reform (P.A. 300) of 2012; or (3) members who worked for a Michigan public school on or after February 1, 2018 and did not elect participation in the Pension Plus 2 plan. Members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan receive a 100% match of the member contribution rate up to a maximum of 3% based on the member's gross earnings. Additionally, there is a mandatory employer contribution of 4% of the member's gross earnings for MPSERS members who elected to convert from a Basic or MIP benefit plan to the defined contribution benefit plan. Members electing the Pension Plus or Pension Plus 2 benefit plan receive a 50% match of the member's contribution percent up to a maximum of 1% based on the member's gross earnings. Effective October 1, 2017, there is a mandatory employer contribution of 4% of the member's gross earnings for members who elect the Defined Contribution benefit plan. The employer must match 100% of the employee contribution for any member who elected the Personal Healthcare Fund up to a maximum of 2% of the member's gross earnings. For all members with a Personal Health Care Fund (PHF), the first 2% of DC contributions must go into the PHF and must be matched 100% by the employer.

Other Postemployment 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 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 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.

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Notes to Financial Statements

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 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 table below summarizes pension contribution rates in effect for fiscal year 2024:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	20.16% - 23.03%
Member Investment Plan (MIP)	3.00% - 7.00%	20.16% - 23.03%
Pension Plus	3.00% - 6.40%	17.24% - 19.17%
Pension Plus 2	6.20%	19.95% - 20.10%
Defined Contribution	0.00%	13.75% - 13.90%

For the year ended June 30, 2024, required and actual contributions from the District to the pension plan were \$6,159,839, which included \$2,977,024, the amount received from the State and remitted to the System to fund the MPSERS unfunded actuarial accrued liability ("UAAL") stabilization rate.

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Notes to Financial Statements

The table below summarizes OPEB contribution rates in effect for fiscal year 2024:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	8.07% - 8.31%
Personal Healthcare Fund (PHF)	0.00%	7.06% - 7.21%

For the year ended June 30, 2024, required and actual contributions from the District to the OPEB plan were \$1,226,059.

The table below summarizes defined contribution rates in effect for fiscal year 2024:

Benefit Structure	Member Rates	Employer Rates
Defined Contribution	0.00% - 3.00%	0.00% - 7.00%
Personal Healthcare Fund (PHF)	0.00% - 2.00%	0.00% - 2.00%

For the year ended June 30, 2024, required and actual contributions from the District for those members with a defined contribution benefit were \$318,185.

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

At June 30, 2024, the District reported a liability of \$48,074,840 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 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 District's proportion was 0.14853%, which was an increase of 0.00513% from its proportion measured as of September 30, 2022.

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Notes to Financial Statements

For the year ended June 30, 2024, the District recognized pension expense of \$5,999,528. At June 30, 2024, the 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	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ 1,517,576	\$ 73,643	\$ 1,443,933
Changes in assumptions	6,514,360	3,756,032	2,758,328
Net difference between projected and actual earnings on pension plan investments	-	983,767	(983,767)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,229,288	770,025	459,263
	<u>9,261,224</u>	<u>5,583,467</u>	<u>3,677,757</u>
District contributions subsequent to the measurement date	5,854,461	-	5,854,461
	<u>5,854,461</u>	<u>-</u>	<u>5,854,461</u>
Total	<u>\$ 15,115,685</u>	<u>\$ 5,583,467</u>	<u>\$ 9,532,218</u>

The amount reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2025	\$ 1,031,712
2026	822,968
2027	2,368,817
2028	<u>(545,740)</u>
Total	<u>\$ 3,677,757</u>

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Notes to Financial Statements

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

At June 30, 2024, the District reported an asset of \$851,705 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 used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2022. The 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 District's proportion was 0.15056% which was an increase of 0.00508% from its proportion measured as of September 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB benefit of \$1,480,560. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ 6,435,920	\$ (6,435,920)
Changes in assumptions	1,896,044	228,320	1,667,724
Net difference between projected and actual earnings on OPEB plan investments	2,597	-	2,597
Changes in proportion and differences between employer contributions and proportionate share of contributions	212,137	163,193	48,944
	<u>2,110,778</u>	<u>6,827,433</u>	<u>(4,716,655)</u>
District contributions subsequent to the measurement date	1,077,897	-	1,077,897
Total	<u>\$ 3,188,675</u>	<u>\$ 6,827,433</u>	<u>\$ (3,638,758)</u>

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Notes to Financial Statements

The amount reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an adjustment to the net OPEB asset/liability 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:

Year Ended June 30,	Amount
2025	\$ (1,566,220)
2026	(1,477,247)
2027	(567,157)
2028	(518,029)
2029	(389,385)
Thereafter	<u>(198,617)</u>
Total	<u>\$ (4,716,655)</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. The total pension and OPEB liabilities in the September 30, 2022 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age, normal
Wage inflation rate	2.75%
Investment rate of return:	
MIP and Basic plans (non-hybrid)	6.00%
Pension Plus plan (hybrid)	6.00%
Pension Plus 2 plan (hybrid)	6.00%
OPEB plans	6.00%
Projected salary increases	2.75% - 11.55%, including wage inflation at 2.75%
Cost of living adjustments	3% annual non-compounded for MIP members
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 Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010. Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

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Notes to Financial Statements

Other OPEB assumptions:

Opt-out assumptions	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 2012 through 2017 and 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2018 and September 30, 2023 valuations, respectively. The total pension and OPEB liabilities as of September 30, 2023, are 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. The recognition period for pension liabilities is 4.4406 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.5099 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Changes in assumptions. The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.

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Notes to Financial Statements

Long-term Expected Return on Pension and OPEB Plan Assets

The long-term expected rate of return on pension and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension/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 pension and OPEB plans' 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	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.43%	1.36%
Private equity pools	16.00%	8.99%	1.44%
International equity pools	15.00%	6.37%	0.95%
Fixed income pools	13.00%	1.22%	0.16%
Real estate and infrastructure pools	10.00%	5.99%	0.60%
Absolute return pools	9.00%	4.49%	0.40%
Real return/opportunistic pools	10.00%	6.83%	0.68%
Short-term investment pools	2.00%	0.28%	0.01%
	<u>100.00%</u>		5.60%
Inflation			2.70%
Risk adjustment			<u>-2.30%</u>
Investment rate of return			<u><u>6.00%</u></u>

Rate of Return

For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 8.29% and 7.94%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Discount Rate

A discount rate of 6.00% was used to measure the total pension and OPEB liabilities. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.00%. The projection of cash flows used to determine these discount rates 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 and 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 pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
District's proportionate share of the net pension liability	\$ 64,948,967	\$ 48,074,840	\$ 34,026,518

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
District's proportionate share of the net OPEB (asset) liability	\$ 882,962	\$ (851,705)	\$ (2,342,481)

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

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

The following presents the District's proportionate share of the net OPEB (asset) liability calculated using the assumed trend rates, as well as what the District's proportionate share of the net OPEB (asset) liability 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
District's proportionate share of the net OPEB (asset) liability	\$ (2,346,198)	\$ (851,705)	\$ 765,827

Pension and OPEB Plans Fiduciary Net Position

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued MPSERS financial statements available on the State of Michigan Office of Retirement Services website at www.michigan.gov/orsschools.

Payable to the Pension Plan

At June 30, 2024, the District reported a payable of \$903,192 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2024.

Payable to the OPEB Plan

At June 30, 2024, the District reported a payable of \$130,503 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2024.

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

10. FUND BALANCES - GOVERNMENTAL FUNDS

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Bonded Capital Projects	Non Bonded Capital Projects	2020 Refunding Debt Service	Nonmajor Governmental Funds	Total
Nonspendable						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 30,223	\$ 30,223
Prepaid items	152,009	-	-	-	5,099	157,108
	<u>152,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,322</u>	<u>187,331</u>
Restricted						
Debt service	-	-	-	1,174,314	593,943	1,768,257
Food service program	-	-	-	-	1,138,264	1,138,264
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,174,314</u>	<u>1,732,207</u>	<u>2,906,521</u>
Committed						
Student/school activity	-	-	-	-	565,929	565,929
Assigned						
Next fiscal year						
budget appropriations	2,608,491	-	-	-	-	2,608,491
Future capital projects	-	-	6,675,643	-	-	6,675,643
	<u>2,608,491</u>	<u>-</u>	<u>6,675,643</u>	<u>-</u>	<u>-</u>	<u>9,284,134</u>
Unassigned (deficit)	<u>3,400,411</u>	<u>(3,314,330)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,081</u>
Total fund balances - governmental funds	<u>\$ 6,160,911</u>	<u>\$ (3,314,330)</u>	<u>\$ 6,675,643</u>	<u>\$ 1,174,314</u>	<u>\$ 2,333,458</u>	<u>\$ 13,029,996</u>

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

11. NET INVESTMENT IN CAPITAL ASSETS

The composition of the District's net investment in capital assets as of June 30, 2024, was as follows:

	Governmental Activities
Capital assets:	
Capital assets not being depreciated	\$ 28,516,026
Capital assets being depreciated, net	<u>53,061,872</u>
	<u>81,577,898</u>
Related debt:	
General obligation bonds	51,420,000
Retainage and capital payables	3,314,330
Unamortized premiums and discounts on bonds payable, net	1,765,492
School loan revolving fund	11,120,903
Deferred charge on advance bond refundings, net	<u>(435,823)</u>
	<u>67,184,902</u>
Net investment in capital assets	<u><u>\$ 14,392,996</u></u>

12. CONTINGENCIES

Federal Grant Programs

The District participates in federally assisted grant programs, which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, not to be material.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2024, the District carried commercial insurance and participated in a public entity risk pool. The District has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

13. TAX ABATEMENTS

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. Property taxes abated on behalf of the District in fiscal year 2024 amounted to approximately \$59,000.

14. BONDED CONSTRUCTION COSTS

Bonded Capital Projects Fund Compliance

The bonded capital projects fund include capital project activities funded with bonds. For this capital project, the District has complied with the applicable provisions of Section 1351a of the Revised School Code. These funds are not yet considered substantially complete and a subsequent year audit is expected.

15. SUBSEQUENT EVENT

In July 2024, the District issued 2024 school building and site bonds, Series III, in the amount of \$8,665,000. The bonds bear interest between 4.00% and 5.00%, and final payment is due May 1, 2052.

In July 2024, the District sold its federal communications commission license for \$2,750,000.



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REQUIRED SUPPLEMENTARY INFORMATION

PLAINWELL COMMUNITY SCHOOLS

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Proportionate Share of the Net Pension Liability

	Year Ended June 30,			
	2024	2023	2022	2021
District's proportionate share of the net pension liability	\$ 48,074,840	\$ 53,929,358	\$ 34,651,419	\$ 51,067,275
District's proportion of the net pension liability	0.14853%	0.14340%	0.14636%	0.14866%
District's covered payroll	\$ 15,071,219	\$ 14,171,541	\$ 13,170,625	\$ 13,112,297
District's proportionate share of the net pension liability as a percentage of its covered payroll	318.98%	380.55%	263.10%	389.46%
Plan fiduciary net position as a percentage of the total pension liability	65.91%	60.77%	72.60%	59.72%

See notes to required supplementary information.

Year Ended June 30,					
2020	2019	2018	2017	2016	2015
\$ 49,376,036	\$ 44,465,880	\$ 38,267,144	\$ 34,716,883	\$ 36,580,917	\$ 30,410,995
0.14910%	0.14791%	0.14767%	0.14662%	0.14214%	0.13807%
\$ 13,089,131	\$ 12,664,125	\$ 12,355,673	\$ 12,419,361	\$ 11,899,404	\$ 11,990,360
377.23%	351.12%	309.71%	279.54%	307.42%	253.63%
60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

PLAINWELL COMMUNITY SCHOOLS

Required Supplementary Information

MPERS Cost-Sharing Multiple-Employer Plan
Schedule of the District's Pension Contributions

	Year Ended June 30,			
	2024	2023	2022	2021
Statutorily required contribution	\$ 6,159,839	\$ 5,322,299	\$ 4,857,510	\$ 4,451,871
Contributions in relation to the statutorily required contribution	<u>(6,159,839)</u>	<u>(5,322,299)</u>	<u>(4,857,510)</u>	<u>(4,451,871)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 15,515,286	\$ 14,981,314	\$ 14,057,258	\$ 13,431,095
Contributions as a percentage of covered payroll	39.70%	35.53%	34.56%	33.15%

See notes to required supplementary information.

Year Ended June 30,					
2020	2019	2018	2017	2016	2015
\$ 4,086,310	\$ 3,967,591	\$ 4,043,416	\$ 3,910,088	\$ 3,710,013	\$ 3,583,027
<u>(4,086,310)</u>	<u>(3,967,591)</u>	<u>(4,043,416)</u>	<u>(3,910,088)</u>	<u>(3,710,013)</u>	<u>(3,583,027)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,225,195	\$ 13,125,956	\$ 12,637,984	\$ 12,354,171	\$ 11,969,777	\$ 12,108,157
30.90%	30.23%	31.99%	31.65%	30.99%	29.59%

PLAINWELL COMMUNITY SCHOOLS

Required Supplementary Information

MPERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit (Asset) Liability

	Year Ended June 30,			
	2024	2023	2022	2021
District's proportionate share of the net OPEB (asset) liability	\$ (851,705)	\$ 3,081,353	\$ 2,223,724	\$ 7,933,193
District's proportion of the net OPEB asset/liability	0.15056%	0.14548%	0.14569%	0.14808%
District's covered payroll	\$ 15,071,219	\$ 14,171,541	\$ 13,170,625	\$ 13,112,297
District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	(5.65%)	21.74%	16.88%	60.50%
Plan fiduciary net position as a percentage of the total OPEB liability	105.04%	83.09%	87.33%	59.44%

See notes to required supplementary information.

Year Ended June 30,		
2020	2019	2018
\$ 10,764,789	\$ 11,832,363	\$ 13,113,486
0.14997%	0.14885%	0.14808%
\$ 13,089,131	\$ 12,664,125	\$ 12,355,673
82.24%	93.43%	106.13%
48.46%	42.95%	36.39%

PLAINWELL COMMUNITY SCHOOLS

Required Supplementary Information

MPERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Other Postemployment Benefit Contributions

	Year Ended June 30,			
	2024	2023	2022	2021
Statutorily required contributions	\$ 1,226,059	\$ 1,267,546	\$ 1,186,694	\$ 1,161,044
Contributions in relation to the statutorily required contributions	<u>(1,226,059)</u>	<u>(1,267,546)</u>	<u>(1,186,694)</u>	<u>(1,161,044)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 15,515,286	\$ 14,981,314	\$ 14,057,258	\$ 13,431,095
Contributions as a percentage of covered payroll	7.90%	8.46%	8.44%	8.64%

See notes to required supplementary information.

Year Ended June 30,		
2020	2019	2018
\$ 1,052,888	\$ 1,067,884	\$ 940,606
<u>(1,052,888)</u>	<u>(1,067,884)</u>	<u>(940,606)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,225,195	\$ 13,125,956	\$ 12,637,984
7.96%	8.14%	7.44%

PLAINWELL COMMUNITY SCHOOLS

Notes to Required Supplementary Information

Pension Information

The amounts presented in the schedule of the District's Proportionate Share of the Net Pension Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation.
- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00% for the MIP and Basic plans, and 6.00% for the Pension Plus Plan.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

OPEB Information

GASB 75 was implemented in fiscal year 2018. The OPEB plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the District's Proportionate Share of the Net OPEB (Asset) Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.
- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00%.

PLAINWELL COMMUNITY SCHOOLS

Notes to Required Supplementary Information

OPEB Information (Concluded)

- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%. The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased to 7.75%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%. The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased to 7.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.95%.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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GENERAL FUND

PLAINWELL COMMUNITY SCHOOLS

Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources:				
Property taxes	\$ 2,555,878	\$ 2,753,461	\$ 2,752,974	\$ (487)
Tuition	53,833	46,050	42,800	(3,250)
Earnings on investments	20,000	95,000	101,119	6,119
Athletics	76,900	95,655	100,189	4,534
Other local revenues	2,060,948	2,527,591	2,550,190	22,599
Total local sources	4,767,559	5,517,757	5,547,272	29,515
State sources:				
State aid - unrestricted	20,848,510	22,216,777	22,224,808	8,031
Grants - restricted	5,923,464	7,355,698	7,505,072	149,374
Total state sources	26,771,974	29,572,475	29,729,880	157,405
Federal sources - grants	2,074,089	1,865,297	1,822,928	(42,369)
Total revenues	33,613,622	36,955,529	37,100,080	144,551
Expenditures				
Current:				
Instruction:				
Basic programs:				
Elementary:				
Salaries	3,530,109	3,852,290	3,833,596	(18,694)
Employee benefits	2,743,631	3,109,090	3,111,653	2,563
Purchased services	329,485	388,491	363,271	(25,220)
Supplies and materials	169,849	172,124	167,324	(4,800)
Capital outlay	107,495	100,800	99,864	(936)
Other	5,055	3,540	1,380	(2,160)
Total elementary	6,885,624	7,626,335	7,577,088	(49,247)
Middle school:				
Salaries	1,884,800	1,862,282	1,856,817	(5,465)
Employee benefits	1,514,020	1,599,103	1,592,539	(6,564)
Purchased services	168,037	177,760	167,374	(10,386)
Supplies and materials	92,320	107,530	100,935	(6,595)
Capital outlay	166,250	36,100	33,847	(2,253)
Other	3,000	3,000	2,666	(334)
Total middle school	3,828,427	3,785,775	3,754,178	(31,597)

continued...

PLAINWELL COMMUNITY SCHOOLS

Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Instruction (continued):				
Basic programs (concluded):				
High school:				
Salaries	\$ 2,514,836	\$ 2,561,652	\$ 2,552,798	\$ (8,854)
Employee benefits	1,913,224	1,967,063	1,963,095	(3,968)
Purchased services	346,488	328,442	314,531	(13,911)
Supplies and materials	169,569	135,204	131,249	(3,955)
Capital outlay	215,094	194,725	194,722	(3)
Other	9,880	9,980	8,983	(997)
Total high school	<u>5,169,091</u>	<u>5,197,066</u>	<u>5,165,378</u>	<u>(31,688)</u>
Pre-school:				
Purchased services	54,302	71,039	61,286	(9,753)
Supplies and materials	1,200	1,200	844	(356)
Total pre-school	<u>55,502</u>	<u>72,239</u>	<u>62,130</u>	<u>(10,109)</u>
Summer school:				
Salaries	60,367	106,746	121,241	14,495
Employee benefits	20,797	36,217	41,303	5,086
Purchased services	36,500	26,729	22,638	(4,091)
Total summer school	<u>117,664</u>	<u>169,692</u>	<u>185,182</u>	<u>15,490</u>
Total basic programs	<u>16,056,308</u>	<u>16,851,107</u>	<u>16,743,956</u>	<u>(107,151)</u>
Added needs:				
Special education:				
Salaries	1,272,481	1,406,144	1,396,552	(9,592)
Employee benefits	1,033,361	1,184,991	1,180,434	(4,557)
Purchased services	73,500	48,075	41,300	(6,775)
Supplies and materials	13,950	10,800	10,151	(649)
Total special education	<u>2,393,292</u>	<u>2,650,010</u>	<u>2,628,437</u>	<u>(21,573)</u>
Compensatory education:				
Salaries	652,552	759,372	740,136	(19,236)
Employee benefits	340,161	387,436	392,788	5,352
Purchased services	34,700	88,391	84,196	(4,195)
Supplies and materials	2,520	2,300	1,174	(1,126)
Total compensatory education	<u>1,029,933</u>	<u>1,237,499</u>	<u>1,218,294</u>	<u>(19,205)</u>
Total added needs	<u>3,423,225</u>	<u>3,887,509</u>	<u>3,846,731</u>	<u>(40,778)</u>

continued...

PLAINWELL COMMUNITY SCHOOLS

Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Instruction (concluded):				
Adult and continuing education:				
Basic:				
Salaries	\$ 49,536	\$ 21,022	\$ 22,267	\$ 1,245
Employee benefits	18,168	15,826	10,362	(5,464)
Purchased services	57,440	46,535	33,171	(13,364)
Supplies and materials	6,248	4,246	485	(3,761)
Total basic	<u>131,392</u>	<u>87,629</u>	<u>66,285</u>	<u>(21,344)</u>
Secondary:				
Salaries	93,523	43,200	43,199	(1)
Employee benefits	44,186	18,800	22,119	3,319
Purchased services	94,520	54,411	49,997	(4,414)
Supplies and materials	4,968	9,774	10,472	698
Total secondary	<u>237,197</u>	<u>126,185</u>	<u>125,787</u>	<u>(398)</u>
Total adult and continuing education	<u>368,589</u>	<u>213,814</u>	<u>192,072</u>	<u>(21,742)</u>
Total instruction	<u>19,848,122</u>	<u>20,952,430</u>	<u>20,782,759</u>	<u>(169,671)</u>
Supporting services:				
Guidance services:				
Salaries	357,804	342,390	337,842	(4,548)
Employee benefits	233,492	239,024	243,275	4,251
Purchased services	-	32,029	28,896	(3,133)
Total guidance services	<u>591,296</u>	<u>613,443</u>	<u>610,013</u>	<u>(3,430)</u>
Health services:				
Salaries	51,772	55,155	55,155	-
Employee benefits	48,204	54,306	53,741	(565)
Purchased services	-	580	348	(232)
Supplies and materials	1,000	500	440	(60)
Total health services	<u>100,976</u>	<u>110,541</u>	<u>109,684</u>	<u>(857)</u>

continued...

PLAINWELL COMMUNITY SCHOOLS

Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Supporting services (continued):				
Pupil services (concluded):				
Psychological services:				
Salaries	\$ 82,111	\$ 83,335	\$ 83,273	\$ (62)
Employee benefits	65,362	70,787	71,013	226
Supplies and materials	2,500	2,000	1,706	(294)
Total psychological services	<u>149,973</u>	<u>156,122</u>	<u>155,992</u>	<u>(130)</u>
Speech services:				
Salaries	110,835	117,841	117,811	(30)
Employee benefits	68,737	83,746	83,340	(406)
Purchased services	87,745	90,967	90,966	(1)
Supplies and materials	1,500	1,000	949	(51)
Total speech services	<u>268,817</u>	<u>293,554</u>	<u>293,066</u>	<u>(488)</u>
Social work services:				
Salaries	254,188	310,847	308,788	(2,059)
Employee benefits	161,895	227,425	225,485	(1,940)
Purchased services	208,000	98,000	96,616	(1,384)
Supplies and materials	1,000	1,000	924	(76)
Total social work	<u>625,083</u>	<u>637,272</u>	<u>631,813</u>	<u>(5,459)</u>
Other pupil services:				
Salaries	136,684	142,936	142,936	-
Employee benefits	88,979	102,217	98,704	(3,513)
Total other pupil services	<u>225,663</u>	<u>245,153</u>	<u>241,640</u>	<u>(3,513)</u>
Total pupil services	<u>1,961,808</u>	<u>2,056,085</u>	<u>2,042,208</u>	<u>(13,877)</u>
Instructional staff:				
Improvement of instruction:				
Salaries	170,158	181,646	169,915	(11,731)
Employee benefits	77,726	92,677	103,100	10,423
Purchased services	162,260	57,556	39,351	(18,205)
Supplies and materials	500	-	-	-
Total improvement of instruction	<u>410,644</u>	<u>331,879</u>	<u>312,366</u>	<u>(19,513)</u>

continued...

PLAINWELL COMMUNITY SCHOOLS

Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Supporting services (continued):				
Instructional (concluded):				
Educational media services:				
Salaries	\$ 59,000	\$ 99,500	\$ 95,352	\$ (4,148)
Employee benefits	32,288	67,671	66,985	(686)
Purchased services	14,556	5,931	5,931	-
Supplies and materials	15,961	14,750	12,526	(2,224)
Other	2,339	2,015	1,953	(62)
Total educational media services	<u>124,144</u>	<u>189,867</u>	<u>182,747</u>	<u>(7,120)</u>
Supervision and direction of instructional staff:				
Salaries	236,724	252,219	251,371	(848)
Employee benefits	171,362	197,981	198,581	600
Purchased services	18,550	13,300	11,969	(1,331)
Total supervision and direction of instructional staff	<u>426,636</u>	<u>463,500</u>	<u>461,921</u>	<u>(1,579)</u>
Academic student assessment:				
Supplies and materials	<u>3,477</u>	<u>3,240</u>	<u>629</u>	<u>(2,611)</u>
Total instructional staff	<u>964,901</u>	<u>988,486</u>	<u>957,663</u>	<u>(30,823)</u>
General administration:				
Board of Education:				
Purchased services	85,000	59,000	55,426	(3,574)
Other	6,991	40,428	39,927	(501)
Total board of education	<u>91,991</u>	<u>99,428</u>	<u>95,353</u>	<u>(4,075)</u>
Executive administration:				
Salaries	266,066	279,149	278,629	(520)
Employee benefits	197,936	239,539	239,756	217
Purchased services	11,400	15,600	13,772	(1,828)
Supplies and materials	6,500	2,000	810	(1,190)
Other	15,872	19,500	20,032	532
Total executive administration	<u>497,774</u>	<u>555,788</u>	<u>552,999</u>	<u>(2,789)</u>
Total general administration	<u>589,765</u>	<u>655,216</u>	<u>648,352</u>	<u>(6,864)</u>

continued...

PLAINWELL COMMUNITY SCHOOLS

Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Supporting services (continued):				
School administration:				
Office of the Principal:				
Salaries	\$ 1,066,569	\$ 1,175,191	\$ 1,151,074	\$ (24,117)
Employee benefits	737,239	891,150	886,561	(4,589)
Purchased services	28,325	16,199	11,836	(4,363)
Supplies and materials	16,200	16,000	13,590	(2,410)
Other	10,435	10,014	8,520	(1,494)
Total office of the principal	<u>1,858,768</u>	<u>2,108,554</u>	<u>2,071,581</u>	<u>(36,973)</u>
Other administration:				
Supplies and materials	<u>1,610</u>	<u>1,610</u>	<u>922</u>	<u>(688)</u>
Total school administration	<u>1,860,378</u>	<u>2,110,164</u>	<u>2,072,503</u>	<u>(37,661)</u>
Business:				
Fiscal services:				
Salaries	224,015	233,500	229,285	(4,215)
Employee benefits	168,915	188,325	188,549	224
Purchased services	55,050	58,050	48,214	(9,836)
Supplies and materials	10,000	10,000	7,536	(2,464)
Other	13,000	17,000	17,820	820
Total fiscal services	<u>470,980</u>	<u>506,875</u>	<u>491,404</u>	<u>(15,471)</u>
Other:				
Other	<u>5,000</u>	<u>2,300</u>	<u>1,738</u>	<u>(562)</u>
Total business	<u>475,980</u>	<u>509,175</u>	<u>493,142</u>	<u>(16,033)</u>
Operating and buildings services:				
Salaries	749,924	837,332	830,606	(6,726)
Employee benefits	584,932	688,662	685,547	(3,115)
Purchased services	2,149,850	1,977,262	1,965,637	(11,625)
Security services	106,880	369,879	347,653	(22,226)
Supplies and materials	413,000	563,500	545,608	(17,892)
Capital outlay	100,000	66,293	74,322	8,029
Other	10,000	12,340	13,027	687
Total operating and buildings services	<u>4,114,586</u>	<u>4,515,268</u>	<u>4,462,400</u>	<u>(52,868)</u>

continued...

PLAINWELL COMMUNITY SCHOOLS

Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Supporting services (concluded):				
Pupil transportation:				
Salaries	\$ 411,684	\$ 452,039	\$ 434,154	\$ (17,885)
Employee benefits	301,935	344,792	337,761	(7,031)
Purchased services	437,756	376,304	345,778	(30,526)
Capital outlay	100,000	269,658	269,658	-
Other	7,500	17,000	18,697	1,697
Total pupil transportation	<u>1,258,875</u>	<u>1,459,793</u>	<u>1,406,048</u>	<u>(53,745)</u>
Central services:				
Communication services:				
Salaries	79,500	92,000	86,056	(5,944)
Employee benefits	64,342	77,540	76,065	(1,475)
Purchased services	44,900	55,350	54,498	(852)
Supplies and materials	29,496	50,078	52,182	2,104
Other	125	-	-	-
Total communication services	<u>218,363</u>	<u>274,968</u>	<u>268,801</u>	<u>(6,167)</u>
Staff/personnel services:				
Purchased services	162,135	180,386	178,698	(1,688)
Supplies and materials	500	500	414	(86)
Total staff/personnel services	<u>162,635</u>	<u>180,886</u>	<u>179,112</u>	<u>(1,774)</u>
Support services technology:				
Salaries	-	7,000	3,538	(3,462)
Employee benefits	-	2,636	1,333	(1,303)
Purchased services	569,000	576,500	568,482	(8,018)
Supplies and materials	46,000	71,000	68,400	(2,600)
Capital outlay	200,000	50,000	61,837	11,837
Total support services technology	<u>815,000</u>	<u>707,136</u>	<u>703,590</u>	<u>(3,546)</u>
Total central services	<u>1,195,998</u>	<u>1,162,990</u>	<u>1,151,503</u>	<u>(11,487)</u>
Athletic activities:				
Salaries	263,650	315,798	313,272	(2,526)
Employee benefits	143,962	199,640	200,075	435
Purchased services	310,556	322,271	308,197	(14,074)
Supplies and materials	101,697	73,250	69,746	(3,504)
Capital outlay	27,500	35,500	34,791	(709)
Total athletic activities	<u>847,365</u>	<u>946,459</u>	<u>926,081</u>	<u>(20,378)</u>
Total supporting services	<u>13,269,656</u>	<u>14,403,636</u>	<u>14,159,900</u>	<u>(243,736)</u>

continued...

PLAINWELL COMMUNITY SCHOOLS

Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Community services:				
Direction:				
Salaries	\$ 109,061	\$ 49,650	\$ 43,940	\$ (5,710)
Employee benefits	59,273	25,816	25,058	(758)
Purchased services	7,495	-	-	-
Supplies and materials	1,500	-	-	-
Other	7,000	6,500	4,736	(1,764)
Total direction	<u>184,329</u>	<u>81,966</u>	<u>73,734</u>	<u>(8,232)</u>
Community programs:				
Salaries	92,000	91,500	83,777	(7,723)
Employee benefits	50,505	50,421	49,156	(1,265)
Purchased services	45,155	22,200	19,632	(2,568)
Supplies and materials	16,100	13,000	10,398	(2,602)
Other	1,500	730	50	(680)
Total community programs	<u>205,260</u>	<u>177,851</u>	<u>163,013</u>	<u>(14,838)</u>
Custody and care of children:				
Salaries	269,500	351,477	351,844	367
Employee benefits	110,606	143,230	142,619	(611)
Purchased services	239,432	207,432	207,930	498
Supplies and materials	79,350	78,500	76,389	(2,111)
Total custody and care of children	<u>698,888</u>	<u>780,639</u>	<u>778,782</u>	<u>(1,857)</u>
Drivers Education:				
Salaries	27,949	12,445	7,767	(4,678)
Employee benefits	3,589	3,023	1,742	(1,281)
Purchased services	11,500	1,000	568	(432)
Supplies and materials	1,950	500	205	(295)
Total drivers education	<u>44,988</u>	<u>16,968</u>	<u>10,282</u>	<u>(6,686)</u>
Total community services	<u>1,133,465</u>	<u>1,057,424</u>	<u>1,025,811</u>	<u>(31,613)</u>
Facilities capital outlay	<u>500,000</u>	<u>125,000</u>	<u>124,953</u>	<u>(47)</u>
Total expenditures	<u>34,751,243</u>	<u>36,538,490</u>	<u>36,093,423</u>	<u>(445,067)</u>
Revenues over (under) expenditures	<u>(1,137,621)</u>	<u>417,039</u>	<u>1,006,657</u>	<u>589,618</u>

continued...

PLAINWELL COMMUNITY SCHOOLS

Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other financing sources (uses)				
Transfers in	\$ 20,000	\$ 40,000	\$ 40,000	\$ -
Transfers out	-	-	(1,000,000)	(1,000,000)
Total other financing sources (uses)	<u>20,000</u>	<u>40,000</u>	<u>(960,000)</u>	<u>(1,000,000)</u>
Net change in fund balance	(1,117,621)	457,039	46,657	(410,382)
Fund balance, beginning of year	<u>6,114,254</u>	<u>6,114,254</u>	<u>6,114,254</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,996,633</u>	<u>\$ 6,571,293</u>	<u>\$ 6,160,911</u>	<u>\$ (410,382)</u>

concluded

PLAINWELL COMMUNITY SCHOOLS

Nonmajor Governmental Funds

Special Revenue Funds

Food Service Fund - This fund is used to account for the revenue and expenditures of the school lunch program. Revenues consist of sales of food and federal and state government subsidies.

Student/School Activity Fund - This fund is used to account for the revenue and expenditures of the student and school activity accounts.

Debt Service Funds

2017 Refunding Debt Service Fund - This fund accounts for payments on the 2017 Refunding bonds issued for refunding of the 2007 Bonds.

2022 Bonds Debt Service Fund - This fund accounts for payments on the 2022 building and site bonds.

PLAINWELL COMMUNITY SCHOOLS

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2024

	Special Revenue		Debt Service		Total
	Food Service	Student/School Activity	2017 Refunding	2022 Bonds	
Assets					
Cash and cash equivalents	\$ 1,050,556	\$ 579,045	\$ 21,316	\$ 511,147	\$ 2,162,064
Accounts receivable	5,939	-	-	-	5,939
Due from other governments	243,448	-	-	-	243,448
Due from other funds	13,381	20,584	7,071	54,409	95,445
Inventory	30,223	-	-	-	30,223
Prepaid items	5,099	-	-	-	5,099
Total assets	<u>\$ 1,348,646</u>	<u>\$ 599,629</u>	<u>\$ 28,387</u>	<u>\$ 565,556</u>	<u>2,542,218</u>
Liabilities					
Accounts payable	\$ 84,697	\$ 6,376	\$ -	\$ -	\$ 91,073
Accrued liabilities	1,496	-	-	-	1,496
Due to other funds	60,428	27,324	-	-	87,752
Unearned revenue	28,439	-	-	-	28,439
Total liabilities	<u>175,060</u>	<u>33,700</u>	<u>-</u>	<u>-</u>	<u>208,760</u>
Fund balances					
Nonspendable	35,322	-	-	-	35,322
Restricted	1,138,264	-	28,387	565,556	1,732,207
Committed	-	565,929	-	-	565,929
Total fund balances	<u>1,173,586</u>	<u>565,929</u>	<u>28,387</u>	<u>565,556</u>	<u>2,333,458</u>
Total liabilities and fund balances	<u>\$ 1,348,646</u>	<u>\$ 599,629</u>	<u>\$ 28,387</u>	<u>\$ 565,556</u>	<u>\$ 2,542,218</u>

PLAINWELL COMMUNITY SCHOOLS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue		Debt Service		Total
	Food Service	Student/School Activity	2017 Refunding	2022 Bonds	
Revenues					
Local sources	\$ 92,403	\$ 525,917	\$ 186,769	\$ 1,434,631	\$ 2,239,720
State sources	662,028	-	3,387	25,969	691,384
Federal sources	1,055,341	-	-	-	1,055,341
Total revenues	1,809,772	525,917	190,156	1,460,600	3,986,445
Expenditures					
Current:					
Food services	1,535,630	-	-	-	1,535,630
Student/school activity	-	469,790	-	-	469,790
Debt service:					
Principal	-	-	150,000	375,000	525,000
Interest and fiscal charges	-	-	23,062	1,043,300	1,066,362
Total expenditures	1,535,630	469,790	173,062	1,418,300	3,596,782
Revenues over expenditures	274,142	56,127	17,094	42,300	389,663
Other financing sources (uses)					
Transfers out	(40,000)	-	-	(100)	(40,100)
Issuance of long-term debt	-	-	6,600	375,289	381,889
Total other financing sources (uses)	(40,000)	-	6,600	375,189	341,789
Net change in fund balances	234,142	56,127	23,694	417,489	731,452
Fund balances, beginning of year	939,444	509,802	4,693	148,067	1,602,006
Fund balances, end of year	\$ 1,173,586	\$ 565,929	\$ 28,387	\$ 565,556	\$ 2,333,458

PLAINWELL COMMUNITY SCHOOLS

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Food Service Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources:				
Lunch sales	\$ 363,800	\$ 74,250	\$ 91,936	\$ 17,686
Other	467	467	467	-
Total local sources	<u>364,267</u>	<u>74,717</u>	<u>92,403</u>	<u>17,686</u>
State sources - State School Aid	<u>23,651</u>	<u>623,259</u>	<u>662,028</u>	<u>38,769</u>
Federal sources:				
Federal aid received through the State	664,088	862,079	954,214	92,135
USDA donated commodities	50,000	50,000	101,127	51,127
Total federal sources	<u>714,088</u>	<u>912,079</u>	<u>1,055,341</u>	<u>143,262</u>
Total revenues	1,102,006	1,610,055	1,809,772	199,717
Expenditures				
Current - food services	<u>1,339,064</u>	<u>1,645,357</u>	<u>1,535,630</u>	<u>(109,727)</u>
Revenues over (under) expenditures	(237,058)	(35,302)	274,142	309,444
Other financing sources (uses)				
Transfers out	<u>(20,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balance	(257,058)	(75,302)	234,142	309,444
Fund balance, beginning of year	<u>939,444</u>	<u>939,444</u>	<u>939,444</u>	<u>-</u>
Fund balance, end of year	<u>\$ 682,386</u>	<u>\$ 864,142</u>	<u>\$ 1,173,586</u>	<u>\$ 309,444</u>

PLAINWELL COMMUNITY SCHOOLS

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Student/School Activity Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources:				
Student/school activity grants and fees	\$ 425,000	\$ 470,000	\$ 525,917	\$ 55,917
Expenditures				
Current - student/school activity	425,000	445,000	469,790	24,790
Net change in fund balance	-	25,000	56,127	31,127
Fund balance, beginning of year	509,802	509,802	509,802	-
Fund balance, end of year	<u>\$ 509,802</u>	<u>\$ 534,802</u>	<u>\$ 565,929</u>	<u>\$ 31,127</u>