



# **KELLOGGSVILLE PUBLIC SCHOOLS**

**Kent County, Michigan**

## **Annual Financial Report**

For the year ended June 30, 2024



**HUNGERFORD**

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## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

September 26, 2024

The Board of Education  
Kelloggsville Public Schools

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kelloggsville Public Schools as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Kelloggsville Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kelloggsville Public Schools, as of June 30, 2024, and the respective changes in financial position and the respective 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kelloggsville Public Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kelloggsville Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 Kelloggsville Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kelloggsville Public Schools' ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information 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 Kelloggsville Public Schools' basic financial statements. The accompanying combining and individual nonmajor 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor 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 our report dated September 26, 2024, on our consideration of Kelloggsville Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Kelloggsville Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kelloggsville Public Schools' internal control over financial reporting and compliance.



Certified Public Accountants  
Grand Rapids, Michigan

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# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Kelloggsville Public 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. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

## Overview of the Financial Statements

This annual report consists of four parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District:

- The first two statements, the Statement of Net Position, and the Statement of Activities, are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
  - ♦ *Governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

The Basic Financial Statements also include Notes to Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data; Required Supplementary Information includes pension and OPEB information schedules; Other Supplementary Information follows and includes combining and individual fund statements and schedules.

## District-wide Statements

The district-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position, and how it has changed. Net position - the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, one should consider additional non-financial factors such as changes in the District's property tax-base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are presented as follows:

- *Governmental activities*: The District's basic services are included here, such as regular and special education, instructional support, transportation, administration, community services, food service and athletics. State aid and property taxes finance most of these activities.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

KELLOGGSVILLE PUBLIC SCHOOLS  
June 30, 2024

## Condensed District-wide Financial Information

The Statement of Net Position provides financial information on the District as a whole.

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current assets	\$ 22,835,925	\$ 22,799,027
Net capital assets	72,120,169	69,390,183
Net OPEB asset	869,631	-
<b>Total Assets</b>	<b><u>95,825,725</u></b>	<b><u>92,189,210</u></b>
<b>Deferred Outflows of Resources</b>	<b><u>18,619,302</u></b>	<b><u>22,884,134</u></b>
<b>Liabilities</b>		
Current liabilities	7,737,009	7,512,775
Long-term liabilities	58,288,652	60,284,440
Net pension liability	50,873,902	60,756,980
Net OPEB liability	-	3,384,773
<b>Total Liabilities</b>	<b><u>116,899,563</u></b>	<b><u>131,938,968</u></b>
<b>Deferred Inflows of Resources</b>	<b><u>13,255,174</u></b>	<b><u>7,132,509</u></b>
<b>Net Position</b>		
Net investment in capital assets	16,209,758	15,367,467
Restricted	1,597,870	1,318,884
Unrestricted (deficit)	(33,517,338)	(40,684,484)
<b>Total Net Position</b>	<b><u>\$ (15,709,710)</u></b>	<b><u>\$ (23,998,133)</u></b>

# MANAGEMENT'S DISCUSSION AND ANALYSIS

KELLOGGSVILLE PUBLIC SCHOOLS

June 30, 2024

The Statement of Activities presents changes in net position from operating results:

	<u>2024</u>	<u>2023</u>
<b>Program Revenues</b>		
Charges for services	\$ 363,504	\$ 381,883
Operating grants	17,195,490	17,859,420
<b>General Revenues</b>		
Property taxes	8,142,792	7,460,596
State school aid, unrestricted	17,184,253	16,572,432
Interest and investment earnings	353,409	335,276
Other	972,825	114,075
<b>Total Revenues</b>	<u>44,212,273</u>	<u>42,723,682</u>
<b>Expenses</b>		
Instruction	17,293,242	20,456,083
Supporting services	14,532,892	15,562,441
Community services	305,844	156,801
Food service	1,941,755	2,159,802
Interest on long-term debt	1,850,117	1,787,605
<b>Total Expenses</b>	<u>35,923,850</u>	<u>40,122,732</u>
Increase (decrease) in net position	8,288,423	2,600,950
<b>Net Position, Beginning of Year</b>	<u>(23,998,133)</u>	<u>(26,599,083)</u>
<b>Net Position, End of Year</b>	<u><u>\$ (15,709,710)</u></u>	<u><u>\$ (23,998,133)</u></u>

## Financial Analysis of the District as a Whole

Total revenues exceeded expenses by \$8,288,423, increasing total net position from a deficit of \$23,998,133 at June 30, 2023, to a deficit of \$15,709,710 at June 30, 2024. Unrestricted net assets increased by \$7,167,146 to a deficit of \$33,517,338 on June 30, 2024. The District's net pension liability, including deferred outflows and inflows of resources, decreased by \$1,229,189 during the fiscal year, and its net OPEB liability, including deferred outflows and inflows of resources, decreased by \$2,520,796.

The District's financial position is the product of various financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation and amortization of capital assets. A large portion of the District's net position reflects investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress); less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, they are not available for future spending. Although the District's investment in 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.

The District's total revenues were \$44.2 million. Property taxes and unrestricted State aid accounted for most of the District's revenues, contributing 57.3% of the total. The remainder came from State and Federal aid for specific programs (38.9%), fees charged for services, interest earnings and other local services.

The total cost of all programs decreased by 10.5% to \$35.9 million. The District's expenses are predominantly related to instruction (48.1%) and supporting services (40.5%), which includes various functions such as caring for (pupil services) and transporting students, and general, operating and maintenance administrative services.

- Some of the costs were financed by the users of the District's programs totaling \$363,156.
- Federal and state governments subsidized certain programs with grants and contributions of \$17,195,490.
- The remaining balance of the District's costs were financed by general revenues totaling \$26,653,267, which includes property taxes, state school aid, interest earnings, and other revenue.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The District utilizes one kind of fund:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information following the governmental funds' statements explain the relationship (or differences) between them.

## Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Kelloggsville Public Schools' funds are described as follows:

### Major Funds

#### General Fund

The General Fund is our primary operating fund. The General Fund had total revenues of \$36,670,280, total financing sources of \$937,380, total expenditures of \$34,299,015, and total other financing uses of \$35,000. The ending fund balance totaled \$11,725,107 at June 30, 2024, up from \$8,451,462 on June 30, 2023.

## Capital Projects Fund

The 2022 Construction Capital Projects Fund accounts for bond proceeds and voter approved capital improvement projects. The fund had total revenues of \$266,623 and total expenditures of \$3,796,590. The ending fund balance totaled \$3,678,211 at June 30, 2024, down from \$7,208,178 at June 30, 2023.

## **Nonmajor Funds**

### Special Revenue Funds

The District operates three Special Revenue Funds, for the Food Service, Childcare and Student/School activity programs. The special revenue funds had total revenues of \$2,475,554, total other financing sources of \$35,000, total expenditures of \$2,366,102, and total other financing uses of \$80,000. The ending fund balances in the Special Revenue Funds totaled \$989,255 at June 30, 2024, up from \$924,803 at June 30, 2023. Of the ending fund balances \$690,455 is attributed to the Food Service Food, \$2,689 is attributed to the Childcare Fund, and \$296,111 is attributed to the Student/School Activity Fund.

### Debt Service Funds

The District operates four Debt Service Funds. The funds had total revenues of \$3,456,127 and total expenditures of \$3,204,102. The ending fund balances in the Debt Service Funds totaled \$691,011 at June 30, 2024, up from \$438,986 at June 30, 2023.

### Capital Projects Fund

The District operates one nonmajor Capital Projects Fund the Building and Site (Sinking) Fund. During the fiscal year, the funds had total revenues of \$459,208 and total expenditures of \$506,332. The ending fund balance totaled \$217,596 at June 30, 2024, down from \$264,720 at June 30, 2023.

## **General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget three times to comply with Michigan Department of Education guidelines. These budget amendments fall into three categories:

- Changes made in February to account for the final student enrollment that determines how much foundation grant state school aid will be received during the fiscal year.
- Changes made in May and June to account for added Federal and State funding.
- Changes at the end of June were to increases or decrease in appropriations to prevent budget overruns and/or shortages.
- Actual revenues were \$463,757 over budget than expected which is a result of increased funds that added to the end of the year revenues.
- Final expenditures were \$1,059,953 less than anticipated due to the decrease in expected payables.

**Capital Asset and Debt Administration**

Capital Assets

At June 30, 2024, the District had a \$95,987,316 investment in a broad range of capital assets, including school buildings, athletic facilities, furniture and equipment, administrative offices, and vehicles. (More detailed information about capital assets can be found in the Note E to Basic Financial Statements.)

Net capital asset purchases totaled \$4,966,564 during the fiscal year, and net accumulated depreciation increased by \$1,472,495. The net book value of capital assets at June 30, 2024 is detailed as follows:

Land	\$ 11,767,057
Construction in progress	3,300,240
Land improvements	1,544,571
Buildings and improvements	54,308,866
Furniture and equipment	858,913
Vehicles	340,522
	<hr/>
<b>Net Capital Assets</b>	<b>\$ 72,120,169</b>
	<hr/>

Long-term Obligations

At year end, the District had \$60,190,924 in general obligation bonds, financed purchases, and other long-term debt outstanding – a net decrease of \$1,785,788 from last year.

- The District continued to pay down its debt, retiring \$1,495,000 of outstanding bonds and financed purchases.

The District’s bond rating for General Obligation, Unlimited Tax debt was upgraded to an “A+” rating with a stable outlook by Standard and Poor’s. The District’s other obligations include compensated absences. There is more detailed information about long-term liabilities in Note F to Basic Financial Statements.

**Factors Bearing on the District’s Future**

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

- The impact of post-COVID-19 on K-12 Education programs continues and is critical. The district continues to experience uncertainty of student enrollment, as well as concern for funding of K-12 education programs. The decrease in student count at the district will not only reduce state funding, but also reduce other funding that is based on number of students. Federal ESSER funds continued to provide support during the 2023-24 school year, and will be spent in full during the 2024-25 school year. Furthermore, post-COVID-19 will continue to induce economic uncertainties for the District.
- Since the School District’s revenue is heavily dependent on State funding, and the health of the State’s School Aid Fund, the actual revenue received depends on the State’s ability to collect revenues to fund its appropriation to school districts.

- With the uncertainty of post-COVID-19 and rising costs in many areas including employee health insurance, retirement contribution costs, and utilities, District Administration continues to be diligent in maintaining a reasonable level of reserves (fund balance). Measures to accomplish this include but are not limited to cooperative agreements with Kent Intermediate School District as well as neighboring public and parochial schools, and application for and use of grant funding for programs to improve the education of our students.

### **Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Kelloggsville Public Schools, 242 – 52nd Street, Kentwood, Michigan, 49508.



# **BASIC FINANCIAL STATEMENTS**

# STATEMENT OF NET POSITION

KELLOGGSVILLE PUBLIC SCHOOLS  
June 30, 2024

	Governmental Activities
<b>Assets</b>	
Cash	\$ 300
Cash equivalents and investments (Note B)	16,931,612
Accounts receivable	518,756
Due from other governmental units (Note C)	5,368,724
Inventory	16,533
Capital assets not being depreciated (Note E)	15,067,297
Capital assets being depreciated, net (Note E)	57,052,872
Net OPEB asset (Note H)	869,631
<b>Total Assets</b>	<b>95,825,725</b>
<b>Deferred Outflows of Resources</b>	
Deferred pension amounts	15,284,755
Deferred OPEB amounts	3,334,547
<b>Total Deferred Outflows of Resources</b>	<b>18,619,302</b>
<b>Liabilities</b>	
Accounts payable	612,050
Due to other governmental units	1,323,926
Accrued interest payable	299,992
Accrued expenses	5,129
Salaries payable	1,632,692
Unearned revenue	1,960,948
Long-term liabilities (Note F):	
Due within one year	1,902,272
Due in more than one year	58,288,652
Net pension liability (Note G)	50,873,902
<b>Total Liabilities</b>	<b>116,899,563</b>
<b>Deferred Inflows of Resources</b>	
Deferred pension amounts	6,149,658
Deferred OPEB amounts	7,105,516
<b>Total Deferred Inflows of Resources</b>	<b>13,255,174</b>
<b>Net Position</b>	
Net investment in capital assets	16,209,758
Restricted for:	
Capital projects	217,596
Debt service	391,019
Child care	2,689
Food service	690,455
Student activities	296,111
Unrestricted (deficit)	(33,517,338)
<b>Total Net Position</b>	<b>\$ (15,709,710)</b>

# STATEMENT OF ACTIVITIES

**KELLOGGSVILLE PUBLIC SCHOOLS**  
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	
<b>Governmental Activities</b>				
Instruction	\$ 17,293,242	\$ 665	\$ 13,521,932	\$ (3,770,645)
Supporting services	14,532,892	231,473	1,518,595	(12,782,824)
Community services	305,844	-	-	(305,844)
Food service	1,941,755	131,366	2,154,963	344,574
Interest on long-term debt	1,850,117	-	-	(1,850,117)
<b>Total Governmental Activities</b>	<b>\$ 35,923,850</b>	<b>\$ 363,504</b>	<b>\$ 17,195,490</b>	<b>(18,364,856)</b>
<b>General Revenues</b>				
Taxes:				
Property taxes, levied for general operations				4,282,826
Property taxes, levied for debt service				3,400,758
Property taxes, levied for capital improvements				459,208
State school aid, unrestricted				17,184,253
Interest and investment earnings				353,409
Other				972,825
<b>Total General Revenues</b>				<b>26,653,279</b>
<b>Change in Net Position</b>				<b>8,288,423</b>
<b>Net Position - Beginning of Year</b>				<b>(23,998,133)</b>
<b>Net Position - End of Year</b>				<b>\$ (15,709,710)</b>

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**KELLOGGSVILLE PUBLIC SCHOOLS  
June 30, 2024**

	2022			Total
	General	Construction	Nonmajor	
<b>Assets</b>				
Cash	\$ 300	\$ -	\$ -	\$ 300
Cash equivalents and investments (Note B)	11,126,381	3,678,211	2,127,020	16,931,612
Accounts receivable	518,729	-	27	518,756
Due from other funds	-	-	19	19
Due from other governmental units (Note C)	5,334,141	-	34,583	5,368,724
Inventory	-	-	16,533	16,533
<b>Total Assets</b>	<b>\$ 16,979,551</b>	<b>\$ 3,678,211</b>	<b>\$ 2,178,182</b>	<b>\$ 22,835,944</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 344,000	\$ -	\$ 268,050	\$ 612,050
Due to other funds	19	-	-	19
Due to other governmental units	1,322,325	-	1,601	1,323,926
Accrued expenditures	5,129	-	-	5,129
Salaries payable	1,630,894	-	1,798	1,632,692
Unearned revenue	1,952,077	-	8,871	1,960,948
<b>Total Liabilities</b>	<b>5,254,444</b>	<b>-</b>	<b>280,320</b>	<b>5,534,764</b>
<b>Fund Balances (Note A)</b>				
Nonspendable	-	-	16,533	16,533
Restricted	-	3,678,211	1,881,329	5,559,540
Unassigned	11,725,107	-	-	11,725,107
<b>Total Fund Balances</b>	<b>11,725,107</b>	<b>3,678,211</b>	<b>1,897,862</b>	<b>17,301,180</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,979,551</b>	<b>\$ 3,678,211</b>	<b>\$ 2,178,182</b>	<b>\$ 22,835,944</b>

# RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

KELLOGGSVILLE PUBLIC SCHOOLS  
June 30, 2024

<b>Total governmental fund balances</b>		\$ 17,301,180
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 as assets in governmental funds. The cost of assets is \$95,987,316 and accumulated depreciation is \$23,867,147.		72,120,169
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	\$ (54,860,000)	
Bond premium	(3,018,622)	
Financed purchases	(1,710,000)	
Severance pay	(130,202)	
Accumulated sick leave	<u>(472,100)</u>	(60,190,924)
Accrued interest is not included as a liability in governmental funds.		(299,992)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(50,873,902)	
Deferred outflows of resources	15,284,755	
Deferred inflows of resources	<u>(6,149,658)</u>	(41,738,805)
Net OPEB asset and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB asset	869,631	
Deferred outflows of resources	3,334,547	
Deferred inflows of resources	<u>(7,105,516)</u>	(2,901,338)
<b>Total net position - governmental activities</b>		<u><u>\$ (15,709,710)</u></u>

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

**KELLOGGSVILLE PUBLIC SCHOOLS  
For the year ended June 30, 2024**

	General	2022 Construction	Nonmajor	Total
<b>Revenues</b>				
Local sources	\$ 4,445,500	\$ 266,623	\$ 4,235,926	\$ 8,948,049
State sources	26,610,018	-	80,816	26,690,834
Federal sources	2,294,077	-	2,074,147	4,368,224
Interdistrict sources	3,320,685	-	-	3,320,685
<b>Total Revenues</b>	<b>36,670,280</b>	<b>266,623</b>	<b>6,390,889</b>	<b>43,327,792</b>
<b>Expenditures</b>				
Current:				
Instruction	18,648,469	-	-	18,648,469
Supporting services	14,554,047	119	173,663	14,727,829
Community services	109,965	-	58,051	168,016
Food service	-	-	2,134,388	2,134,388
Capital outlay	835,886	3,796,471	506,332	5,138,689
Debt service:				
Principal repayment	125,000	-	1,370,000	1,495,000
Interest and fiscal charges	25,648	-	1,834,102	1,859,750
<b>Total Expenditures</b>	<b>34,299,015</b>	<b>3,796,590</b>	<b>6,076,536</b>	<b>44,172,141</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,371,265</b>	<b>(3,529,967)</b>	<b>314,353</b>	<b>(844,349)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	80,000	-	35,000	115,000
Transfers out	(35,000)	-	(80,000)	(115,000)
Other transactions	857,380	-	-	857,380
<b>Total Other Financing Sources (Uses)</b>	<b>902,380</b>	<b>-</b>	<b>(45,000)</b>	<b>857,380</b>
<b>Net Change in Fund Balances</b>	<b>3,273,645</b>	<b>(3,529,967)</b>	<b>269,353</b>	<b>13,031</b>
<b>Fund Balances, Beginning of Year</b>	<b>8,451,462</b>	<b>7,208,178</b>	<b>1,628,509</b>	<b>17,288,149</b>
<b>Fund Balances, End of Year</b>	<b>\$ 11,725,107</b>	<b>\$ 3,678,211</b>	<b>\$ 1,897,862</b>	<b>\$ 17,301,180</b>

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

KELLOGGSVILLE PUBLIC SCHOOLS  
For the year ended June 30, 2024

<b>Net change in fund balances - total governmental funds</b>		\$ 13,031
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
	Capital outlays	\$ 4,966,564
	Depreciation expense	<u>(2,116,407)</u>
		2,850,157
<p>In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold/retired.</p>		
		(120,171)
<p>Bond premium is amortized over the life of the new bond issue on the Statement of Activities.</p>		
		147,272
<p>Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not effect the Statement of Activities:</p>		
	General obligation bonds	1,370,000
	Financed purchases	<u>125,000</u>
		1,495,000
<p>Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid.</p>		
		9,633
<p>In the Statement of Net Position, severance pay and accumulated sick leave are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits paid/used exceeded the amounts added/earned by \$143,516.</p>		
		143,516
<p>The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.</p>		
		1,229,189
<p>The changes in net OPEB asset and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.</p>		
		<u>2,520,796</u>
<b>Total changes in net position - governmental activities</b>		<u><u>\$ 8,288,423</u></u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – GENERAL FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS  
For the year ended June 30, 2024**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Local sources	\$ 4,069,336	\$ 4,309,474	\$ 4,445,500	\$ 136,026
State sources	24,210,444	26,386,808	26,610,018	223,210
Federal sources	2,164,433	2,281,984	2,294,077	12,093
Interdistrict sources	2,698,300	3,228,257	3,320,685	92,428
<b>Total Revenues</b>	<b>33,142,513</b>	<b>36,206,523</b>	<b>36,670,280</b>	<b>463,757</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Basic programs	14,605,524	14,350,312	14,038,971	311,341
Added needs	4,530,671	4,726,761	4,609,498	117,263
Supporting services:				
Pupil services	2,504,435	2,741,648	2,614,935	126,713
Instructional staff services	1,103,010	1,710,685	1,658,795	51,890
General administrative services	643,746	691,262	675,978	15,284
School administrative services	2,618,801	2,684,227	2,626,553	57,674
Business services	605,007	685,184	633,635	51,549
Operation and maintenance services	2,895,528	3,380,225	3,237,548	142,677
Pupil transportation services	1,427,872	1,504,685	1,400,604	104,081
Central services	801,041	938,001	909,274	28,727
Other support services	812,990	839,464	796,725	42,739
Community services	109,246	118,928	109,965	8,963
Capital outlay	981,626	836,886	835,886	1,000
Debt service:				
Principal repayment	-	125,000	125,000	-
Interest expense	-	25,700	25,648	52
<b>Total Expenditures</b>	<b>33,639,497</b>	<b>35,358,968</b>	<b>34,299,015</b>	<b>1,059,953</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(496,984)</b>	<b>847,555</b>	<b>2,371,265</b>	<b>1,523,710</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	80,000	80,000	-
Transfers out	-	(35,000)	(35,000)	-
Other transactions	-	785,463	857,380	71,917
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>830,463</b>	<b>902,380</b>	<b>71,917</b>
<b>Net Change in Fund Balances</b>	<b>(496,984)</b>	<b>1,678,018</b>	<b>3,273,645</b>	<b>1,595,627</b>
<b>Fund Balances, Beginning of Year</b>	<b>8,451,462</b>	<b>8,451,462</b>	<b>8,451,462</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 7,954,478</b>	<b>\$ 10,129,480</b>	<b>\$ 11,725,107</b>	<b>\$ 1,595,627</b>



# **NOTES TO BASIC FINANCIAL STATEMENTS**

## Note A – Summary of Significant Accounting Policies

Kelloggsville Public Schools (the “District”) was organized under the School Code of the State of Michigan and services a population of approximately 2,221 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, pre-school programs, athletic activities, special education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District’s significant accounting policies are described below.

### 1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District’s financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

### 2. District-wide and Fund Financial Statements

**District-wide Financial Statements** – The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. The District does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The Statement of Net Position is reported on the full accrual, economic resources basis, which recognizes all long-term assets as well as all long-term debt and obligations. The District’s net position is reported in three parts: invested in capital assets, net of related debt; restricted net position, and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, unrestricted state aid, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund and the 2022 Construction Capital Projects Fund are the District's major funds. Nonmajor funds are aggregated and presented in a single column.

**Fund Financial Statements** – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities, and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the district-wide level. Reconciliations between the two sets of statements are provided separately.

Revenues are recognized when susceptible to accrual, i.e., 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 after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Revenues susceptible to accrual are property taxes, state aid, federal and interdistrict revenues and investment income. Other revenues are recognized when received. Deferred revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of the qualifying expenditures.

### 3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

District-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 grantor or provider have been met.

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The State portion of the foundation is provided from the State's School Aid Fund and is recognized as revenues in accordance with state law and accounting principles generally accepted in the United States of America.

**Governmental Funds**

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use, and balances of a school district's expendable financial resources and the related current liabilities are accounted for through governmental funds.

*General Fund*—The General Fund is the general operating fund of a school district. It is used to account for all financial resources, except those required to be accounted for in another fund. Included are all transactions related to the current operating budget.

*Special Revenue Funds*—Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

*School Service Funds*—School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. A school district maintains full control of these funds. The School Service Funds maintained by the District are the Food Service, Child Care, and Student/School Activity Special Revenue Funds.

*Debt Service Funds*—Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt (bonds, notes, loans, leases, and school bond loan) principal, interest, and related costs.

*Capital Projects Funds*—Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished.

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of Section 1351a of the State of Michigan's School Code. The Capital Projects Funds also include capital project activities funded with sinking fund millage. The District has complied with the applicable provisions of Section 1212 (l) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

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

## 4. Budgets and Budgetary Accounting

State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act) requires that the General Fund of a school district be under budgetary control and that both budgeted and actual financial results do not incur a deficit. Kelloggsville Public Schools has also adopted budgets for its Special Revenue Funds. A school district's General Appropriations Resolution (the "budget") must be adopted before the beginning of each fiscal year. No violations (dollar deviations) from a district's budget may occur without a corresponding amendment to the budget. A school district has the ability to amend the budget provided that the amendment is prior to the occurrence of the deviation and prior to the fiscal year end. A school district may also permit the chief administrative or fiscal officer to execute transfers between line items, within defined dollar or percentage limits, without prior approval of the Board of Education. Expenditures may not legally exceed budgeted appropriations at the function level. All appropriations lapse at the end of the fiscal year.

Kelloggsville Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Starting in the spring, District administrative personnel and department heads work with the Superintendent to establish proposed operating budgets for the fiscal year commencing the following July 1.
- In June, preliminary operating budgets are submitted to the Board of Education. These budgets include proposed expenditures and the means of financing them.
- Prior to June 30, a public hearing is held to obtain taxpayer comments on the proposed budgets.
- After the budgets are finalized, the Board of Education adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).
- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

## 5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the governmental funds. There were no substantial encumbrances outstanding at year end.

## 6. Investments

Investments are recorded at fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

**7. Inventories and Prepaid Items**

Inventories are valued at cost (first-in, first-out). Inventories of the Food Service Fund consist of food and other nonperishable supplies. Disbursements for inventory-type items are recorded as expenditures at the time of use for each fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

**8. Capital Assets**

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the district-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related assets.

Land improvements, buildings and improvements, furniture and equipment, and vehicles are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10 - 20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 10 years

**9. Long-term Obligations**

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported at the total amount of bonds issued.

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

**10. Severance Pay/Accumulated Sick Leave**

Severance pay and accumulated sick leave at June 30, 2024 has been computed and recorded in the district-wide financial statements of the District. Eligible District employees who retire are entitled to a termination leave payment based on their age and years of service. Employees who leave the District are also entitled to reimbursement for a portion of their unused sick days. At June 30, 2024, the accumulated liabilities, including salary related payments, (expected to be financed by General Fund revenues) for severance pay and accumulated sick leave amounted to \$130,202 and \$472,100, respectively.

**11. Retirement Plan**

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, were implemented by the District during the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, the Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions are also addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Cost sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans – pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

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

**12. Postemployment Benefits Other Than Pensions**

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented by the District during the fiscal year ended June 30, 2018. This Statement establishes standards for recognizing and measuring other postemployment benefits (OPEB) liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB plans, the Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about OPEB are also addressed. Distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet specific criteria. Cost-sharing employers are those whose employees are provided with defined benefit OPEB through cost-sharing multiple-employer OPEB plans—OPEB plans in which the OPEB obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides OPEB through the OPEB plan.

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

**13. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two such items that qualify for reporting in this category: the deferred outflows of resources relating to the recognition of net pension liability on the financial statements and the deferred outflows of resources relating to the recognition of the net OPEB asset on the financial statements.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category: the deferred inflows of resources relating to the recognition of net pension liability on the financial statements and the deferred inflows of resources relating to the recognition of net OPEB asset on the financial statements.

**14. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws, or regulations from other governments.



**15. Fund Balance**

The District has adopted Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The stated objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, detailed as follows:

- Nonspendable – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).
- Restricted – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.
- Committed – resources 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 (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts.
- Assigned - resources that are constrained by the government’s *intent* to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes.
- Unassigned – unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

As Kelloggsville Public Schools has not established a policy for its use of unrestricted fund balance amounts, it considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**16. Interfund Activity**

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

**17. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note B – Cash Equivalents and Investments**

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker’s acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.
- Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a school district in Michigan.

Balances at June 30, 2024 related to cash equivalents and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Position:	
Governmental activities	<u>\$ 16,931,612</u>

# NOTES TO BASIC FINANCIAL STATEMENTS

## Cash Equivalents

Depositories actively used by the District during the year are detailed as follows:

1. Lake Michigan Credit Union

Cash equivalents consist of bank interest earning LMCU Analysis Checking accounts and non-interest earning Business Checking accounts.

June 30, 2024 balances are detailed as follows:

Cash equivalents	<u>\$ 13,241,059</u>
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### *Custodial Credit Risk as Related to Bank Deposits*

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Protection of District deposits is provided by the National Credit Union Administration. At year end, the carrying amount of the District's cash equivalents was \$13,241,059 and the bank balance was \$14,162,643. Of the bank balance, \$941,323 was covered by federal depository insurance and \$13,221,320 was uninsured and uncollateralized.

## Investments

As of June 30, 2024, the District had the following investment:

Michigan Liquid Asset Fund Plus (MILAF+) – Cash Management	<u>\$ 3,690,553</u>
--	---------------------

The Michigan Liquid Asset Fund Plus (MILAF+) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF+ is not regulated or registered with the Securities Exchange Commission. The MILAF+ Fund is carried at amortized cost and was rated AAAM by Standard & Poor's rating agency.

### *Custodial Credit Risk Related to Investments*

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may 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 custodial credit risk by limiting investments to the type of securities allowed by State statute.

### *Credit Risk as Related to Investments*

Credit risk is the risk that an issuer, or other counterparty to an investment, will not fulfill its obligation. The District's investment policy does not specifically address credit risk but minimizes its credit risk by limiting investments to the types allowed by the State.

### *Interest Rate Risk*

The District minimizes interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market.

### *Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security.

### *Foreign Currency Risk*

The District is not authorized to invest in investments which have this type of risk.

## **Note C – State School Aid/Property Taxes**

On March 15, 1994, the voters of the State of Michigan approved Proposal A, which increased the State Sales and Use Tax rates from 4% to 6% and established a State Education Tax at a rate of 6 mills on all property, except that which is exempt by law from ad valorem property taxes, and dedicated the additional revenues generated to Michigan school districts.

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February 2023 and October 2023. The 2023-24 "Foundation Allowance" for Kelloggsville Public Schools was \$9,608 for 2,221 "Full Time Equivalent" students, generating \$26,726,608 in State aid payments to the District, of which \$4,844,281 was paid to the District in July and August 2024 and included in "Due From Other Governmental Units" of the General and Food Service Special Revenue Funds of the District.

Property taxes for the District are levied July 1 and December 1 (the tax lien dates) under a split-levy system by the Cities of Kentwood and Wyoming and are due 75 days after the levy date. The taxes are then collected by each governmental unit and remitted to the District. The County of Kent, through its Delinquent Tax Revolving Fund, advances all delinquent real property taxes at March 1 to the District each year prior to June 30.

Section 1211(1) of 1993 PA 312 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

Kelloggsville Public Schools' electors previously approved an operating millage extension (May 2021) for the 18 mill non-homestead property tax. The District levied 7.32 mills for debt service purposes and 0.9923 mills for building and site, applied on all taxable property in the District.

Taxable property in the District is assessed initially at 50% of true cash value by the assessing officials of the various units of government that comprise the District. These valuations are then equalized by the county and finally by the State of Michigan, generating the State Equalized Valuation. Taxable valuation increases will be limited, or capped (known as capped valuation), at 5% or the rate of inflation, whichever is less. With the implementation of Proposal A and Public Act 36, taxable property is now divided into two categories: PRE and NPRES.

# NOTES TO BASIC FINANCIAL STATEMENTS

A principal residence exemption property (PRE) is exempt from the 18 mill “School Operating” tax. It is not exempt from the 6 mill “State Education” tax, any voted “Local Enhancement Millage” nor any additional voted millage for the retirement of debt.

Non-principal residence exemption property (NPRES) is subject to all District levies. However, since Public Act 36, establishing the Michigan Business Tax, was signed into law, Public Acts 37-40 of 2007 now exempt Industrial Personal Property from the 6 mill State Education Tax and up to 18 mills of local school district operating millage (includes property under Industrial Facilities Tax exemptions); and exempt Commercial Personal Property from up to 12 mills of local school district operating millage (exceptions may apply).

The District is subject to tax abatements granted by the County of Kent with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assists in the building of new facilities, and promotes the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term up to 12 years as determined by the local unit of government. The agreements entered into by each local unit include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timeliness for relocation. The tax abated property taxes are calculated by applying half the local property tax millage rate on the total IFT taxable value. This amounts to a reduction in property tax revenue of approximately 50%.

For the year ended June 30, 2024, the District’s property tax revenues were reduced by approximately \$186,628 under these agreements.

## Note D –Interfund Receivables/Payables and Transfers

Amounts due from/to other funds representing unreimbursed expenditures at June 30, 2024 are detailed as follows:

	<u>Due From</u>	<u>Due To</u>
<b>Major Funds</b>		
General Fund:		
Special Revenue Funds:		
Food Service	\$ -	\$ 19
<b>Nonmajor Funds</b>		
Special Revenue Funds:		
Food Service		
General Fund	19	-
<b>Total All Funds</b>	<u>\$ 19</u>	<u>\$ 19</u>

# NOTES TO BASIC FINANCIAL STATEMENTS

KELLOGGSVILLE PUBLIC SCHOOLS

June 30, 2024

Operating transfers between funds during the year ended June 30, 2024 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds</b>		
General Fund:		
Special Revenue Funds:		
Food Service	\$ 80,000	\$ -
Child Care	-	35,000
	<hr/>	<hr/>
<b>Total Major Funds</b>	80,000	35,000
	<hr/>	<hr/>
<b>Nonmajor Funds</b>		
Special Revenue Funds:		
Food Service:		
General Fund	-	80,000
Child Care:		
General Fund	35,000	-
	<hr/>	<hr/>
<b>Total Nonmajor Funds</b>	35,000	80,000
	<hr/>	<hr/>
<b>Total All Funds</b>	<u>\$ 115,000</u>	<u>\$ 115,000</u>

Transfers made during the year ended June 30, 2024 were for indirect cost allocations from the Food Service Fund to the General Fund, and for support provided by the General Fund to the Child Care Fund.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**KELLOGGSVILLE PUBLIC SCHOOLS**

**June 30, 2024**

**Note E – Capital Assets**

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

	<b>Balances July 1, 2023</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balances June 30, 2024</b>
Capital assets not being depreciated:				
Land	\$ 11,767,057	\$ -	\$ -	\$ 11,767,057
Construction in progress	4,645,588	4,435,438	5,780,786	3,300,240
Total capital assets not being depreciated	<u>16,412,645</u>	<u>\$ 4,435,438</u>	<u>\$ 5,780,786</u>	<u>15,067,297</u>
Capital assets being depreciated:				
Land improvements	3,438,422	\$ 260,500	\$ -	3,698,922
Buildings and improvements	66,932,878	5,666,451	200,934	72,398,395
Furniture and equipment	3,014,929	384,961	-	3,399,890
Vehicles	1,985,961	-	563,149	1,422,812
Total capital assets being depreciated	<u>75,372,190</u>	<u>\$ 6,311,912</u>	<u>\$ 764,083</u>	<u>80,920,019</u>
Less accumulated depreciation for:				
Land improvements	2,065,964	\$ 88,387	\$ -	2,154,351
Buildings and improvements	16,530,750	1,714,456	155,677	18,089,529
Furniture and equipment	2,387,562	153,415	-	2,540,977
Vehicles	1,410,376	160,149	488,235	1,082,290
Total accumulated depreciation and amortization	<u>22,394,652</u>	<u>\$ 2,116,407</u>	<u>\$ 643,912</u>	<u>23,867,147</u>
Total capital assets being depreciated and amortized, net	<u>52,977,538</u>			<u>57,052,872</u>
<b>Net Capital Assets</b>	<u><u>\$ 69,390,183</u></u>			<u><u>\$ 72,120,169</u></u>

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 708,711
Supporting services	1,232,758
Food service	21,772
Community services	153,166
	<u>\$ 2,116,407</u>

# NOTES TO BASIC FINANCIAL STATEMENTS

KELLOGGSVILLE PUBLIC SCHOOLS

June 30, 2024

## Note F – Long-term Obligations

Changes in long-term obligations for the year ended June 30, 2024 are summarized as follows:

	Debt Outstanding July 1, 2023	Debt Added	Debt Retired	Debt Outstanding June 30, 2024
General obligation bonds:				
June 3, 2015	\$ 1,525,000	\$ -	\$ 745,000	\$ 780,000
February 4, 2019	17,030,000	-	465,000	16,565,000
August 17, 2021	27,680,000	-	160,000	27,520,000
March 22, 2022	9,995,000	-	-	9,995,000
Bond premium, net	3,165,894	-	147,272	3,018,622
Financed purchases	1,835,000	-	125,000	1,710,000
Severance pay	186,113	-	55,911	130,202
Accumulated sick leave*	559,705	-	87,605	472,100
	<u>\$ 61,976,712</u>	<u>\$ -</u>	<u>\$ 1,785,788</u>	<u>\$ 60,190,924</u>

\*Net change reported only.

Long-term bonds, financed purchases, and other obligations at June 30, 2024 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
<b>General Obligation Bonds</b>				
\$32,770K Building and Site June 3, 2015:				
Annual maturity of \$780K	May 1, 2025	5.00%	\$ 780,000	\$ 780,000
\$18,320K 2019 Building and Site February 4, 2019:				
Annual maturities of \$475K to \$805K	May 1, 2048	3.75 - 5.00	16,565,000	540,000
\$28,230K 2021 Refunding August 17, 2021:				
Annual maturities of \$160K to \$1,795K	May 1, 2045	0.73 - 2.98	27,520,000	160,000
\$9,995K 2022 Building and Site March 22, 2022:				
Annual maturities of \$65K to \$845K	May 1, 2043	4.00	9,995,000	65,000
Bond premium			3,018,622	147,272
<b>Financed Purchases</b>				
\$2,088K Turf Field August 11, 2021:				
Annual maturities of \$125K to \$160K	May 1, 2036	0.89 - 1.74	1,710,000	125,000
<b>Other Obligations</b>				
Severance pay			130,202	-
Accumulated sick leave			472,100	85,000
			<u>\$ 60,190,924</u>	<u>\$ 1,902,272</u>



# NOTES TO BASIC FINANCIAL STATEMENTS

KELLOGGSVILLE PUBLIC SCHOOLS

June 30, 2024

The annual requirements to pay principal and interest on long-term bonds and financed purchases outstanding are as follows:

Years Ending June 30	General Obligation Bonds			Financed Purchases		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,545,000	\$ 1,775,278	\$ 3,320,278	\$ 125,000	\$ 24,674	\$ 149,674
2026	1,680,000	1,710,906	3,390,906	130,000	23,562	153,562
2027	1,820,000	1,675,510	3,495,510	135,000	22,248	157,248
2028	1,965,000	1,629,213	3,594,213	135,000	20,656	155,656
2029	2,125,000	1,574,874	3,699,874	140,000	18,928	158,928
2030	2,205,000	1,512,026	3,717,026	140,000	16,982	156,982
2031	2,270,000	1,444,622	3,714,622	145,000	14,924	159,924
2032	2,350,000	1,373,464	3,723,464	145,000	12,704	157,704
2033	2,420,000	1,296,912	3,716,912	150,000	10,384	160,384
2034	2,495,000	1,223,150	3,718,150	150,000	7,940	157,940
2035	2,575,000	1,144,788	3,719,788	155,000	5,434	160,434
2036	2,655,000	1,063,000	3,718,000	160,000	2,784	162,784
2037	2,740,000	977,256	3,717,256	-	-	-
2038	2,830,000	886,274	3,716,274	-	-	-
2039	2,925,000	791,754	3,716,754	-	-	-
2040	3,025,000	693,380	3,718,380	-	-	-
2041	3,125,000	590,846	3,715,846	-	-	-
2042	3,230,000	484,434	3,714,434	-	-	-
2043	3,340,000	373,754	3,713,754	-	-	-
2044	2,545,000	257,476	2,802,476	-	-	-
2045	2,590,000	173,508	2,763,508	-	-	-
2046	795,000	90,188	885,188	-	-	-
2047	805,000	60,375	865,375	-	-	-
2048	805,000	30,188	835,188	-	-	-
	<u>\$ 54,860,000</u>	<u>\$ 22,833,175</u>	<u>\$ 77,693,175</u>	<u>\$ 1,710,000</u>	<u>\$ 181,220</u>	<u>\$ 1,891,220</u>

**Note G – Retirement Plan*****Plan Description***

The Michigan Public School Employees' Retirement System (MPERS) (the "System") is a cost-sharing, multiple-employer, state-wide, defined benefit public employee retirement plan and fiduciary component unit of the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members – eleven appointed by the Governor, and the State Superintendent of Instruction, who serves as the 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 [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

***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 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The age and service requirements range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by .50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age. The System also provides disability and survivor benefits to DB plan members.

Certain employees have the option to participate in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

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

# NOTES TO BASIC FINANCIAL STATEMENTS

## Contributions and Funded Status

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

Plan Name	Pension Contribution Rates:		
	Plan Status	Member	District
Basic	Closed	0.0 – 4.0 %	20.16%
Member Investment Plan (MIP)	Closed	3.0 – 7.0%	20.16%
Pension Plus	Closed	3.0 – 6.4 %	17.24%
Pension Plus 2	Open	6.2%	19.95%
Defined Contribution	Open	0.0%	13.75%

The District’s contributions to MPSERS under all pension plans for the year ended June 30, 2024 inclusive of the MSPERS UAAL Stabilization, totaled \$6,352,940.

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

As of June 30, 2024, the District reported a liability of \$50,873,902 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation 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 the pension contributions required from all applicable employers during the measurement period. As of September 30, 2023 the District’s proportion was 0.15718284% which was a decrease from 0.16155025% at September 30, 2022.

## NOTES TO BASIC FINANCIAL STATEMENTS

KELLOGGSVILLE PUBLIC SCHOOLS

June 30, 2024

For the year ended June 30, 2024 the District recognized pension expense of \$6,865,183. As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 1,605,934	\$ 77,931
Changes of assumptions	6,893,645	3,974,719
Net difference between projected and actual earnings on pension plan investments	–	1,041,045
Changes in proportion and differences between District contributions and proportionate share of contributions	812,276	1,055,963
District contributions subsequent to the measurement date*	5,972,900	–
<b>Total</b>	<b>\$ 15,284,755</b>	<b>\$ 6,149,658</b>

\* This 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:

<b>Years Ending June 30</b>	<b>Amount</b>
2025	\$ 1,312,896
2026	734,354
2027	1,983,650
2028	(868,703)

### **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.

## NOTES TO BASIC FINANCIAL STATEMENTS

KELLOGGSVILLE PUBLIC SCHOOLS

June 30, 2024

Additional information as of the latest actuarial valuation follows:

### Summary of Actuarial Assumptions:

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

### Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2023 is based on the results of an actuarial valuation date of September 30, 2022 and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.4406 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at ([www.michigan.gov/orsschools](http://www.michigan.gov/orsschools)).

***Long-Term Expected Rate of Return on Investments***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2023 are summarized in the following table:

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

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

***Rate of Return***

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

***Discount Rate***

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus Plan , 6.00% for the Pension Plus 2 Plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus Plan, 6.00% for the Pension Plus 2 plan). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***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% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan), 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:

	<b>1% Decrease 5.00%</b>	<b>Current Discount Rate Assumption 6.00%</b>	<b>1% Increase 7.00%</b>
District’s proportionate share of the net pension liability	\$ 68,730,493	\$ 50,873,902	\$ 36,007,645

***Michigan Public School Employees’ Retirement System (MPSERS) Fiduciary Net Position***

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Michigan Public School Employees’ Retirement System September 30, 2023 Annual Comprehensive Financial Report, available here: ([www.michigan.gov/orsschools](http://www.michigan.gov/orsschools)).

***Payables to the Michigan Public School Employees’ Retirement System (MPSERS)***

Payables to the pension plan totaling \$900,856 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources. The payables are included in “Due to Other Governmental Units” at June 30, 2024.

**Note H – Other Postemployment Benefits**

***Plan Description***

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

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

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

The System’s financial statements are available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

***Benefits Provided***

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide 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.

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 and Funded Status***

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

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



# NOTES TO BASIC FINANCIAL STATEMENTS

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2023:

**OPEB Contribution Rates:**

Benefit Structure	Member	District
Premium Subsidy	3.0%	8.07%
Personal Healthcare Fund (PHF)	0.0 %	7.21%

Required contributions to the OPEB plan from the District were \$1,279,865 for the year ended June 30, 2024.

***OPEB Asset, OPEB Credit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

As of June 30, 2024, the District reported an asset of \$869,631 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 asset used to calculate the net OPEB liability 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. As of September 30, 2023 the District's proportion was 0.15372700% which was a decrease from 0.15980515% at September 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB credit of \$1,293,769. 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
Difference between expected and actual experience	\$ —	\$ 6,571,380
Changes of assumptions	1,935,951	233,125
Net difference between projected and actual earnings on OPEB plan investments	2,651	—
Changes in proportion and differences between District contributions and proportionate share of contributions	276,785	301,011
District contributions subsequent to the measurement date*	1,119,160	—
<b>Total</b>	<b>\$ 3,334,547</b>	<b>\$ 7,105,516</b>

\* This amount, reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025.

# NOTES TO BASIC FINANCIAL STATEMENTS

KELLOGGSVILLE PUBLIC SCHOOLS

June 30, 2024

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

Years Ending June 30	Amount
2025	\$ (1,505,859)
2026	(1,459,815)
2027	(598,174)
2028	(609,244)
2029	(475,942)
Thereafter	(241,095)

## Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

### Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2022
Actuarial Cost Method:	Entry Age, Normal
Asset Valuation Method:	Fair Value
Wage Inflation Rate:	2.75%
Investment Rate of Return:	6.00% net of investment expense
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
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 Members:	PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

## NOTES TO BASIC FINANCIAL STATEMENTS

KELLOGGSVILLE PUBLIC SCHOOLS

June 30, 2024

### Other 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 one or more dependents.

### Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2023 valuation. The total OPEB asset as of September 30, 2023 is based on the results of an actuarial valuation date of September 30, 2022 and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [6.5099 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

***Long-Term Expected Rate of Return on Investments***

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of September 30, 2023, are summarized in the following table:

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

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

***Rate of Return***

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

***Discount Rate***

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

## NOTES TO BASIC FINANCIAL STATEMENTS

KELLOGGSVILLE PUBLIC SCHOOLS

June 30, 2024

### ***Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate***

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

	<b>1% Decrease 5.00%</b>	<b>Current Discount Rate 6.00%</b>	<b>1% Increase 7.00%</b>
District's proportionate share of the net OPEB liability (asset)	\$ 901,547	\$ (869,631)	\$ (2,391,785)

### ***Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Healthcare Cost Trend Rate***

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

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
District's proportionate share of the net OPEB liability (asset)	\$ (2,395,580)	\$ (869,631)	\$ 781,945

### ***OPEB Plan Fiduciary Net Position***

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

### ***Payables to the OPEB Plan***

Payables to the OPEB plan totaling \$132,037 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources. The payables are included in "Due to Other Governmental Units" at June 30, 2024.

**Note I – Risk Management and Employee Benefits**

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

There were no significant reductions in insurance coverage in fiscal 2023-24, and as of year ended June 30, 2024, there were no material pending claims against the District.

**Note J – Stewardship, Compliance and Accountability**

The District has an unrestricted net position deficit of \$33,517,338 and a total net position deficit of \$15,709,710, as of June 30, 2024. These deficit net position results primarily from the net pension liability of \$41,738,805 and the net OPEB liability of \$2,901,338 (net of deferred outflows and inflows of resources related to the pension and OPEB plans, respectively).

**Note K – Commitments**

On March 22, 2022, the District issued \$9,995,000 of General Obligation 2022 Building and Site Construction bonds, for which proceeds are being used for land improvements, building renovations, additions and furniture and equipment purchases. At June 30, 2024, unspent balances committed to these construction projects totaled \$3,678,211 and are expected to be fully expended by the year ended June 30, 2025.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN**

**KELLOGGSVILLE PUBLIC SCHOOLS  
June 30, 2024**

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022
District's proportion of the net pension liability	0.15718284%	0.16155025%	0.15946029%
District's proportionate share of the net pension liability	\$ 50,873,902	\$ 60,756,980	\$ 37,752,881
District's covered-employee payroll	\$ 15,783,431	\$ 15,477,966	\$ 14,779,223
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	322.32%	392.54%	255.45%
Plan fiduciary net position as a percentage of the total pension liability	65.91%	60.77%	72.60%

Note: The amounts presented for each of the last ten fiscal years were determined as of September 30 of the preceding year.



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Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
0.15603095%	0.15203240%	0.14516137%	0.13871700%	0.13275085%	0.13240497%	0.13435766%
\$ 53,598,329	\$ 50,348,019	\$ 43,638,128	\$ 35,947,472	\$ 33,120,251	\$ 32,339,949	\$ 29,594,294
\$ 14,137,436	\$ 13,644,834	\$ 12,819,008	\$ 11,872,440	\$ 11,254,090	\$ 10,855,140	\$ 11,397,274
379.12%	368.99%	340.42%	302.78%	294.30%	297.92%	259.73%
59.72%	60.31%	62.12%	63.96%	63.01%	62.92%	66.15%

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN**

**KELLOGGSVILLE PUBLIC SCHOOLS  
June 30, 2024**

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022
District's proportion of the net OPEB liability (asset)	0.15372700%	0.15980515%	0.16150910%
District's proportionate share of the net OPEB liability (asset)	\$ (869,631)	\$ 3,384,773	\$ 2,465,239
District's covered-employee payroll	\$ 15,783,431	\$ 15,477,966	\$ 14,779,223
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(5.51%)	21.87%	16.68%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	105.04%	83.09%	87.33%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No. 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

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<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
0.15824201%	0.15529148%	0.15019308%	0.13853797%
\$ 8,477,447	\$ 11,146,431	\$ 11,938,776	\$ 12,268,190
\$ 14,137,436	\$ 13,644,834	\$ 12,819,008	\$ 11,872,440
59.96%	81.69%	93.13%	103.33%
59.44%	48.46%	43.10%	36.53%

**SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN**

**KELLOGGSVILLE PUBLIC SCHOOLS  
June 30, 2024**

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022
Contractually required contribution	\$ 6,352,940	\$ 5,522,672	\$ 5,629,808
Contributions in relation to the contractually required contribution	<u>6,352,940</u>	<u>5,522,672</u>	<u>5,629,808</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 15,934,148	\$ 15,480,653	\$ 15,876,659
Contributions as a percentage of covered employee payroll	39.87%	35.67%	35.46%

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Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
\$ 4,792,512	\$ 4,343,294	\$ 4,055,632	\$ 3,702,200	\$ 3,646,455	\$ 3,401,365	\$ 3,485,798
4,792,512	4,343,294	4,055,632	3,702,200	3,646,455	3,401,365	3,485,798
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$14,266,656	\$14,172,662	\$13,433,002	\$12,526,480	\$11,768,883	\$11,246,480	\$10,708,777
33.59%	30.65%	30.19%	29.55%	30.98%	30.24%	32.55%

**SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN**

**KELLOGGSVILLE PUBLIC SCHOOLS  
June 30, 2024**

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022
Contractually required contribution	\$ 1,279,865	\$ 1,253,095	\$ 1,284,904
Contributions in relation to the contractually required contribution	<u>1,279,865</u>	<u>1,253,095</u>	<u>1,284,904</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 15,934,148	\$ 15,480,653	\$ 15,876,659
Contributions as a percentage of covered employee payroll	8.03%	8.09%	8.09%

Note: GASB Statement No. 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

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Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
\$ 1,184,621	\$ 1,152,032	\$ 1,082,382	\$ 948,001
<u>1,184,621</u>	<u>1,152,032</u>	<u>1,082,382</u>	<u>948,001</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,266,656	\$ 14,172,662	\$ 13,433,002	\$ 12,526,480
8.30%	8.13%	8.06%	7.57%

**Note A - Net Pension Liability and Contributions**

**Changes of benefit terms:** There were no changes of benefit terms in 2023-24.

**Changes of assumptions:** There were no changes of benefit assumptions in 2023-24.

**Note B - Net OPEB Liability (Asset) and Contributions**

**Changes of benefit terms:** There were no changes of benefit terms in 2023-24.

**Changes of assumptions:** There were no changes of benefit assumptions in 2023-24.



## **SUPPLEMENTARY INFORMATION**

## **GENERAL FUND**

To account for resources which are traditionally associated with the general operation of the District and not required to be accounted for in another fund.

**COMPARATIVE BALANCE SHEET  
GENERAL FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS  
June 30, 2024**

	2024	2023
<b>Assets</b>		
Cash	\$ 300	\$ 300
Cash equivalents and investments	11,126,381	7,459,609
Accounts receivable	518,729	49,893
Due from other governmental units	5,334,141	5,888,716
<b>Total Assets</b>	<b>\$ 16,979,551</b>	<b>\$ 13,398,518</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 344,000	\$ 471,217
Due to other funds	19	-
Due to other governmental units	1,322,325	1,613,749
Accrued expenditures	5,129	-
Salaries payable	1,630,894	1,649,253
Unearned revenue	1,952,077	1,212,837
<b>Total Liabilities</b>	<b>5,254,444</b>	<b>4,947,056</b>
<b>Fund Balance</b>		
Unassigned	11,725,107	8,451,462
<b>Total Fund Balance</b>	<b>11,725,107</b>	<b>8,451,462</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 16,979,551</b>	<b>\$ 13,398,518</b>

**COMPARATIVE SCHEDULE OF REVENUES  
GENERAL FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS  
For the years ended June 30, 2024 and 2023**

	2024	2023
Local sources:		
Property taxes:		
Current property taxes	\$ 4,256,657	\$ 3,889,167
Delinquent and other property taxes	20,689	3,651
Interest on delinquent taxes	5,480	3,624
	<u>4,282,826</u>	<u>3,896,442</u>
Summer school tuition	665	2,250
Interest earnings:		
Interest on deposits and investments	31,405	10,336
Revenue from student activities:		
Athletics admissions	36,560	36,809
Tournament fees	4,188	2,971
Other student activity income	1,512	2,792
	<u>42,260</u>	<u>42,572</u>
Other local revenue:		
Rental of school facilities	17,000	1,920
Sale of fixed assets	-	300
Beverage consortium commissions	3,196	2,576
Crossing guard reimbursement	6,851	8,223
Insurance reimbursements	8,902	26,957
Universal service fund	11,304	31,421
Miscellaneous	41,091	44,598
	<u>88,344</u>	<u>115,995</u>
Total local sources	4,445,500	4,067,595
State sources:		
State aid	25,888,444	24,283,300
Bus driver's safety	64	354
Early literacy coaches	75,770	63,884
Special education - millage incentive	60,083	89,503
Special education - transportation	389,583	388,662
Special education - itinerants	21,910	49,558
ORS forfeiture credit	23,717	12,171
Mental health and support services	150,447	87,313
Total state sources	<u>26,610,018</u>	<u>24,974,745</u>

**COMPARATIVE SCHEDULE OF REVENUES (Continued)**  
**GENERAL FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS**  
**For the years ended June 30, 2024 and 2023**

	2024	2023
Federal sources:		
Title I	\$ 591,885	\$ 565,074
Title IIA	73,580	78,452
Title III	89,438	81,701
Title IV	44,914	38,691
Special education cluster - I.D.E.A.	675,856	694,036
Medicaid - outreach	14,376	9,558
Education stabilization fund	804,028	2,800,711
Tech reimbursement	-	42,749
Emergency connectivity grant	-	80,000
Promote school health	-	750
Total federal sources	<u>2,294,077</u>	<u>4,391,722</u>
Interdistrict sources:		
ISD collected millage	2,504,626	2,343,804
Special education - tuition	-	5,055
Great start readiness program	98,676	117,310
Medicaid fee for service	387,818	314,005
Other interdistrict sources	329,565	160,777
Total interdistrict sources	<u>3,320,685</u>	<u>2,940,951</u>
<b>Total Revenues</b>	<u><u>\$ 36,670,280</u></u>	<u><u>\$ 36,375,013</u></u>

**COMPARATIVE SCHEDULE OF EXPENDITURES  
GENERAL FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS  
For the years ended June 30, 2024 and 2023**

	2024	2023
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	\$ 3,397,979	\$ 3,566,036
Employee benefits	2,833,558	3,267,938
Purchased services	67,428	53,213
Supplies	82,638	199,138
Capital outlay	-	3,870
Miscellaneous	975	840
	<u>6,382,578</u>	<u>7,091,035</u>
Middle school:		
Salaries	1,416,751	1,608,423
Employee benefits	1,224,411	1,526,779
Purchased services	67,150	30,444
Supplies	26,653	97,091
Capital outlay	1,664	-
Miscellaneous	7,358	4,091
	<u>2,743,987</u>	<u>3,266,828</u>
High school:		
Salaries	2,497,411	2,404,620
Employee benefits	2,098,434	2,310,272
Purchased services	89,590	96,520
Supplies	82,061	214,076
Capital outlay	2,302	17,469
Miscellaneous	27,804	24,083
	<u>4,797,602</u>	<u>5,067,040</u>
Preschool:		
Miscellaneous	4,447	4,504
	<u>4,447</u>	<u>4,504</u>
Summer school:		
Salaries	78,190	49,826
Employee benefits	29,604	18,202
Purchased services	100	-
Supplies	2,463	148
	<u>110,357</u>	<u>68,176</u>
Total basic programs	<u>14,038,971</u>	<u>15,497,583</u>

**COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)**  
**GENERAL FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS**  
**For the years ended June 30, 2024 and 2023**

	2024	2023
Added needs:		
Special education:		
Salaries	\$ 1,099,587	\$ 984,596
Employee benefits	781,581	664,061
Purchased services	38,428	4,391
Supplies	3,181	734
Capital outlay	1,890	-
Payments to other school districts	440,440	477,690
	<u>2,365,107</u>	<u>2,131,472</u>
Compensatory education:		
Salaries	1,354,799	1,033,256
Employee benefits	709,650	553,029
Purchased services	16,965	24,738
Supplies	-	3,069
	<u>2,081,414</u>	<u>1,614,092</u>
Career and technical education:		
Salaries	89,979	88,215
Employee benefits	71,865	65,580
Purchased services	1,133	1,581
Miscellaneous	-	2,420
	<u>162,977</u>	<u>157,796</u>
Total added needs	<u>4,609,498</u>	<u>3,903,360</u>
Total instruction	<u>18,648,469</u>	<u>19,400,943</u>
Supporting services:		
Pupil services:		
Guidance services:		
Salaries	696,236	631,851
Employee benefits	399,911	378,000
	<u>1,096,147</u>	<u>1,009,851</u>
Occupational therapy services:		
Salaries	85,213	83,354
Employee benefits	54,548	61,269
Purchased services	327,495	155,279
Supplies	2,406	3,336
Miscellaneous	504	650
	<u>470,166</u>	<u>303,888</u>

**COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)**  
**GENERAL FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS**  
**For the years ended June 30, 2024 and 2023**

	2024	2023
Psychological services:		
Salaries	\$ -	\$ 60,073
Employee benefits	423	35,099
Purchased services	939	3,357
Supplies	2,032	2,577
Miscellaneous	249	-
Payments to other school districts	219,084	108,336
	<u>222,727</u>	<u>209,442</u>
Speech pathology services:		
Salaries	80,824	47,725
Employee benefits	54,934	27,451
Purchased services	72,094	-
Supplies	878	1,207
Miscellaneous	154	-
Payments to other school districts	285,270	313,316
	<u>494,154</u>	<u>389,699</u>
Social worker services:		
Salaries	18,470	-
Employee benefits	10,549	-
Purchased services	30,357	162
Payments to other school districts	230,040	203,004
	<u>289,416</u>	<u>203,166</u>
Other pupil services:		
Salaries	22,199	21,491
Employee benefits	9,166	7,531
Purchased services	10,960	9,907
	<u>42,325</u>	<u>38,929</u>
Total pupil services	2,614,935	2,154,975
Improvement of instruction:		
Salaries	147,954	73,692
Employee benefits	101,281	43,377
Purchased services	233,128	-
Supplies	65,624	-
	<u>547,987</u>	<u>117,069</u>
Library:		
Salaries	55,912	138,836
Employee benefits	50,317	89,819
Purchased services	-	5,615
Supplies	29,434	51,234
Miscellaneous	700	701
	<u>136,363</u>	<u>286,205</u>



**COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)**  
**GENERAL FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS**  
**For the years ended June 30, 2024 and 2023**

	2024	2023
Supervision of instruction:		
Salaries	\$ 421,898	\$ 448,171
Employee benefits	319,681	330,398
Purchased services	37,490	36,572
Supplies	194,341	85,485
Miscellaneous	1,035	3,864
	<hr/>	<hr/>
Total instructional staff services	974,445	904,490
	<hr/>	<hr/>
	1,658,795	1,307,764
General administrative services:		
Board of education:		
Salaries	151,467	103,535
Employee benefits	16,248	8,938
Purchased services	68,427	62,854
Supplies	510	1,630
Miscellaneous	8,268	5,569
	<hr/>	<hr/>
	244,920	182,526
Executive administration:		
Salaries	248,391	239,726
Employee benefits	172,871	191,490
Purchased services	7,496	5,053
Miscellaneous	2,300	2,150
	<hr/>	<hr/>
	431,058	438,419
	<hr/>	<hr/>
Total general administrative services	675,978	620,945
School administrative services:		
Office of the principal:		
Salaries	1,433,632	1,389,051
Employee benefits	1,169,024	1,251,770
Purchased services	21,037	17,842
Miscellaneous	2,860	3,110
	<hr/>	<hr/>
Total school administrative services	2,626,553	2,661,773
Business services:		
Fiscal services:		
Salaries	271,588	247,203
Employee benefits	232,233	220,162
Purchased services	61,988	24,953
Supplies	17,255	25,930
Miscellaneous	2,484	25,901
	<hr/>	<hr/>
	585,548	544,149

**COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)**  
**GENERAL FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS**  
**For the years ended June 30, 2024 and 2023**

	2024	2023
Other business services:		
Purchased services	\$ 31,076	\$ 40,150
Miscellaneous	17,011	41,289
	<u>48,087</u>	<u>81,439</u>
Total business services	633,635	625,588
Operation and maintenance services:		
Operation and maintenance:		
Salaries	842,438	784,795
Employee benefits	632,202	740,652
Purchased services	556,180	528,953
Supplies	791,247	793,496
Capital outlay	6,747	49,267
Miscellaneous	2,744	2,329
	<u>2,831,558</u>	<u>2,899,492</u>
Security services:		
Salaries	13,439	-
Employee benefits	5,778	-
Purchased services	288,951	70,892
Supplies	654	-
Capital outlay	97,168	-
	<u>405,990</u>	<u>70,892</u>
Total operation and maintenance services	3,237,548	2,970,384
Pupil transportation services:		
Pupil transportation:		
Salaries	390,052	443,023
Employee benefits	286,018	311,467
Purchased services	82,506	114,186
Supplies	70,859	74,202
Miscellaneous	570	2,706
Payments to other school districts	570,599	510,682
Total pupil transportation services	<u>1,400,604</u>	<u>1,456,266</u>
Central services:		
Technology services:		
Salaries	366,971	273,135
Employee benefits	272,345	244,593
Purchased services	252,713	169,726
Supplies	2,000	14,379
Capital outlay	15,245	160,899
	<u>909,274</u>	<u>862,732</u>

**COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)**  
**GENERAL FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS**  
**For the years ended June 30, 2024 and 2023**

	2024	2023
Pupil accounting services:		
Salaries	\$ -	\$ 60,604
Total central services	909,274	923,336
Other supporting services:		
Athletics:		
Salaries	365,067	361,572
Employee benefits	245,896	221,050
Purchased services	73,663	61,491
Supplies	16,753	20,801
Capital outlay	68,090	49,292
Miscellaneous	27,256	22,409
Total other supporting services	796,725	736,615
Total supporting services	14,554,047	13,457,646
Community services:		
Community activities:		
Salaries	4,475	4,817
Employee benefits	1,791	1,754
Purchased services	17,807	15,590
Supplies	6,900	6,889
	30,973	29,050
Welfare activities:		
Supplies	9,324	-
Nonpublic school pupils:		
Purchased services	14,522	5,049
Payments to other school districts	2,120	4,171
	16,642	9,220
Community relations/special projects:		
Salaries	26,150	24,631
Employee benefits	9,829	9,081
Purchased services	10,154	21,699
Supplies	6,788	14,787
Miscellaneous	105	-
	53,026	70,198
Total community services	109,965	108,468

**COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)**  
**GENERAL FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS**  
**For the years ended June 30, 2024 and 2023**

	2024	2023
Capital outlay:		
Facilities acquisition, construction and improvements:		
Purchased services	\$ 25,630	\$ 186,894
Capital outlay	810,256	2,194,091
Total capital outlay	<u>835,886</u>	<u>2,380,985</u>
Debt service:		
Principal repayment	125,000	120,000
Interest and fiscal charges	25,648	26,464
Total debt service	<u>150,648</u>	<u>146,464</u>
<b>Total Expenditures</b>	<u><u>\$ 34,299,015</u></u>	<u><u>\$ 35,494,506</u></u>

## **NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**KELLOGGSVILLE PUBLIC SCHOOLS  
June 30, 2024**

	Special Revenue			Debt Service
	Food Service	Child Care	Student/School Activity	2015
<b>Assets</b>				
Cash equivalents	\$ 651,563	\$ 2,689	\$ 296,111	\$ 126,441
Accounts receivable	27	-	-	-
Due from other funds	19	-	-	-
Due from other governmental units	34,583	-	-	-
Inventory	16,533	-	-	-
<b>Total Assets</b>	<b>\$ 702,725</b>	<b>\$ 2,689</b>	<b>\$ 296,111</b>	<b>\$ 126,441</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	1,601	-	-	-
Salaries payable	1,798	-	-	-
Unearned revenue	8,871	-	-	-
<b>Total Liabilities</b>	<b>12,270</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	16,533	-	-	-
Restricted	673,922	2,689	296,111	126,441
<b>Total Fund Balances</b>	<b>690,455</b>	<b>2,689</b>	<b>296,111</b>	<b>126,441</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 702,725</b>	<b>\$ 2,689</b>	<b>\$ 296,111</b>	<b>\$ 126,441</b>

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2019	Debt Service		Capital Projects		Total
	2021 Refunding	2022	Building and Site Sinking		
\$ 337,442	\$ 131,443	\$ 95,685	\$ 485,646		\$ 2,127,020
-	-	-	-		27
-	-	-	-		19
-	-	-	-		34,583
-	-	-	-		16,533
<u>\$ 337,442</u>	<u>\$ 131,443</u>	<u>\$ 95,685</u>	<u>\$ 485,646</u>		<u>\$ 2,178,182</u>

\$ -	\$ -	\$ -	\$ 268,050		\$ 268,050
-	-	-	-		1,601
-	-	-	-		1,798
-	-	-	-		8,871
-	-	-	268,050		280,320
-	-	-	-		16,533
<u>337,442</u>	<u>131,443</u>	<u>95,685</u>	<u>217,596</u>		<u>1,881,329</u>
<u>337,442</u>	<u>131,443</u>	<u>95,685</u>	<u>217,596</u>		<u>1,897,862</u>
<u>\$ 337,442</u>	<u>\$ 131,443</u>	<u>\$ 95,685</u>	<u>\$ 485,646</u>		<u>\$ 2,178,182</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

**KELLOGGSVILLE PUBLIC SCHOOLS  
June 30, 2024**

	Special Revenue			Debt Service
	Food Service	Child Care	Student/School Activity	2015
<b>Revenues</b>				
Local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ 872,212
Interest earnings	-	12	-	14,197
Food sales	131,366	-	-	-
Other local sources	-	16,787	172,426	-
<b>Total local sources</b>	<b>131,366</b>	<b>16,799</b>	<b>172,426</b>	<b>886,409</b>
State sources	80,816	-	-	-
Federal sources	2,074,147	-	-	-
<b>Total Revenues</b>	<b>2,286,329</b>	<b>16,799</b>	<b>172,426</b>	<b>886,409</b>
<b>Expenditures</b>				
Current:				
Food service	2,134,388	-	-	-
Supporting services	-	-	173,663	-
Community services	-	58,051	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal repayment	-	-	-	745,000
Interest and fiscal charges	-	-	-	76,749
<b>Total Expenditures</b>	<b>2,134,388</b>	<b>58,051</b>	<b>173,663</b>	<b>821,749</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>151,941</b>	<b>(41,252)</b>	<b>(1,237)</b>	<b>64,660</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	35,000	-	-
Transfers out	(80,000)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(80,000)</b>	<b>35,000</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>71,941</b>	<b>(6,252)</b>	<b>(1,237)</b>	<b>64,660</b>
<b>Fund Balances, Beginning of Year</b>	<b>618,514</b>	<b>8,941</b>	<b>297,348</b>	<b>61,781</b>
<b>Fund Balances, End of Year</b>	<b>\$ 690,455</b>	<b>\$ 2,689</b>	<b>\$ 296,111</b>	<b>\$ 126,441</b>



2019	Debt Service		Capital Projects		Total
	2021 Refunding	2022	Building and Site Sinking		
\$ 1,243,099	\$ 860,840	\$ 424,607	\$ 459,208	\$ 3,859,966	
20,240	14,015	6,917	-	55,381	
-	-	-	-	131,366	
-	-	-	-	189,213	
1,263,339	874,855	431,524	459,208	4,235,926	
-	-	-	-	80,816	
-	-	-	-	2,074,147	
1,263,339	874,855	431,524	459,208	6,390,889	
-	-	-	-	2,134,388	
-	-	-	-	173,663	
-	-	-	-	58,051	
-	-	-	506,332	506,332	
465,000	160,000	-	-	1,370,000	
706,050	651,003	400,300	-	1,834,102	
1,171,050	811,003	400,300	506,332	6,076,536	
92,289	63,852	31,224	(47,124)	314,353	
-	-	-	-	35,000	
-	-	-	-	(80,000)	
-	-	-	-	(45,000)	
92,289	63,852	31,224	(47,124)	269,353	
245,153	67,591	64,461	264,720	1,628,509	
\$ 337,442	\$ 131,443	\$ 95,685	\$ 217,596	\$ 1,897,862	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – FOOD SERVICE SPECIAL REVENUE FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS  
For the year ended June 30, 2024**

	Budget	Actual	Variance
<b>Revenues</b>			
Local sources	\$ 119,800	\$ 131,366	\$ 11,566
State sources	73,000	80,816	7,816
Federal sources	1,780,672	2,074,147	293,475
<b>Total Revenues</b>	<b>1,973,472</b>	<b>2,286,329</b>	<b>312,857</b>
<b>Expenditures</b>			
Current:			
Food service	2,112,260	2,134,388	(22,128)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(138,788)</b>	<b>151,941</b>	<b>290,729</b>
<b>Other Financing Sources (Uses)</b>			
Transfers out	(80,000)	(80,000)	-
<b>Net Change in Fund Balances</b>	<b>(218,788)</b>	<b>71,941</b>	<b>290,729</b>
<b>Fund Balances, Beginning of Year</b>	<b>618,514</b>	<b>618,514</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 399,726</b>	<b>\$ 690,455</b>	<b>\$ 290,729</b>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – CHILD CARE SPECIAL REVENUE FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS  
For the year ended June 30, 2024**

	Budget	Actual	Variance
<b>Revenues</b>			
Local sources	\$ 16,012	\$ 16,799	\$ 787
<b>Expenditures</b>			
Current:			
Community services	59,070	58,051	1,019
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(43,058)</b>	<b>(41,252)</b>	<b>1,806</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In	35,000	35,000	-
<b>Net Change in Fund Balance</b>	<b>(8,058)</b>	<b>(6,252)</b>	<b>1,806</b>
<b>Fund Balance, Beginning of Year</b>	<b>8,941</b>	<b>8,941</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 883</b>	<b>\$ 2,689</b>	<b>\$ 1,806</b>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL – STUDENT/SCHOOL ACTIVITY SPECIAL REVENUE FUND**

**KELLOGGSVILLE PUBLIC SCHOOLS  
 For the year ended June 30, 2024**

	Budget	Actual	Variance
<b>Revenues</b>			
Local sources	\$ 170,366	\$ 172,426	\$ 2,060
<b>Expenditures</b>			
Current:			
Other supporting services	192,365	173,663	18,702
<b>Net Change in Fund Balance</b>	(21,999)	(1,237)	20,762
<b>Fund Balance, Beginning of Year</b>	297,348	297,348	-
<b>Fund Balance, End of Year</b>	\$ 275,349	\$ 296,111	\$ 20,762