

Plainwell  
Community  
Schools



Year Ended  
June 30, 2023

Financial  
Statements

**Rehmann**

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# PLAINWELL COMMUNITY SCHOOLS

## Table of Contents

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Management's Discussion and Analysis</b>	5
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22
Reconciliation of Net Change in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	26
Notes to Financial Statements	27
<b>Required Supplementary Information</b>	
MPERS Cost-Sharing Multiple-Employer Plan:	
Schedule of the District's Proportionate Share of the Net Pension Liability	60
Schedule of the District's Pension Contributions	62
Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit Liability	64
Schedule of the District's Other Postemployment Benefit Contributions	66
Notes to Required Supplementary Information	68
<b>Combining and Individual Fund Financial Statements and Schedules</b>	
General Fund:	
Detail Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – By Activity	72
Nonmajor Governmental Funds:	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	83
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Food Service Fund	84
Student/School Activity Fund	85

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## INDEPENDENT AUDITORS' REPORT

October 17, 2023

Board of Education  
Plainwell Community Schools  
Plainwell, Michigan

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Plainwell Community Schools** (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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



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

### ***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated October 17, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rehmann Lohman LLC". The signature is written in a cursive, flowing style.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# PLAINWELL COMMUNITY SCHOOLS

## Management's Discussion and Analysis

As management of Plainwell Community Schools (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023.

### Financial Highlights

- The District is required to report its proportionate share of the MPSERS net pension and other postemployment benefit (OPEB) liabilities on the statement of net position. This requirement has contributed to a deficit net position for governmental activities of \$20,521,115.
- The District's total net position increased by \$7,133,785.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$29,375,932, an increase of \$15,547,619 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,408,738 or 12.3% percent of total general fund expenditures.

### Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference being *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements display functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The activities of the District include instruction, supporting services, food services, community services, and student/school activity. The District has no business-type activities as of and for the year ended June 30, 2023.

# PLAINWELL COMMUNITY SCHOOLS

## Management's Discussion and Analysis

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

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

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

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

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

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

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

# PLAINWELL COMMUNITY SCHOOLS

## Management's Discussion and Analysis

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District reported a deficit net position of \$20,521,115 at June 30, 2023. The requirement to report the District's proportionate share of the MPSERS net pension and OPEB liabilities on the statement of net position is a significant contributor to this deficit balance.

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

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

	Net Position	
	2023	2022
<b>Assets</b>		
Current and other assets	\$ 36,505,422	\$ 19,424,869
Capital assets, net	61,907,909	52,579,842
<b>Total assets</b>	<u>98,413,331</u>	<u>72,004,711</u>
<b>Deferred outflows of resources</b>	<u>21,173,391</u>	<u>11,066,900</u>
<b>Liabilities</b>		
Other liabilities	7,447,548	6,076,279
Long-term liabilities	124,940,932	84,090,100
<b>Total liabilities</b>	<u>132,388,480</u>	<u>90,166,379</u>
<b>Deferred inflows of resources</b>	<u>7,719,357</u>	<u>20,560,132</u>
<b>Net position</b>		
Net investment in capital assets	12,160,714	8,536,415
Restricted	939,444	904,054
Unrestricted (deficit)	(33,621,273)	(37,095,369)
<b>Total net position (deficit)</b>	<u>\$ (20,521,115)</u>	<u>\$ (27,654,900)</u>

## PLAINWELL COMMUNITY SCHOOLS

### Management's Discussion and Analysis

The above analysis focuses on the net position. The change in net position of the District's governmental activities is discussed below. The deficit net position of \$20,521,115 is directly related to the net pension and OPEB liabilities. The District's net investment in capital assets totaled \$12,160,714. This compares the original cost less depreciation of the District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. An amount of \$939,444 is restricted for future food service expenses. This results in an unrestricted deficit of \$33,621,273.

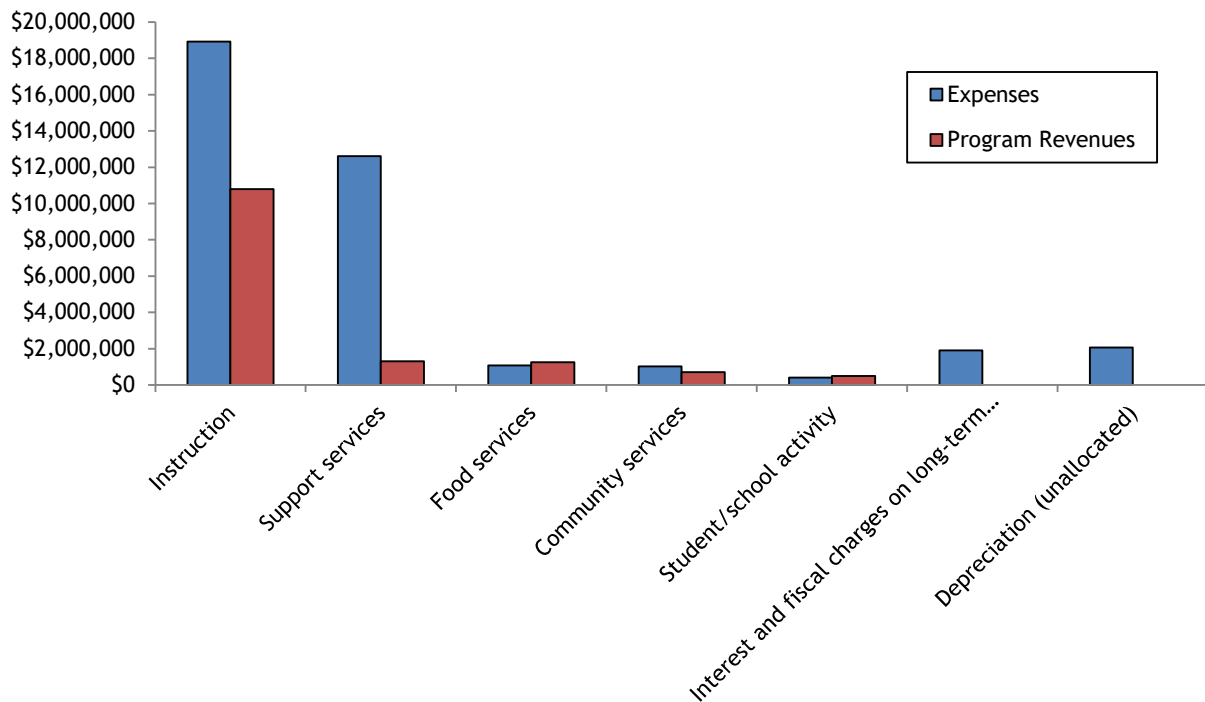
	Change in Net Position	
	2023	2022
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,757,719	\$ 1,240,190
Operating grants and contributions	12,805,722	10,749,435
General revenues:		
Property taxes - operations	2,556,726	2,286,673
Property taxes - debt service	6,250,118	5,849,370
Unrestricted state aid	21,008,393	20,577,490
Unrestricted investment earnings	722,050	20,370
Other revenues	52,311	223,858
<b>Total revenues</b>	<u>45,153,039</u>	<u>40,947,386</u>
<b>Expenses</b>		
Instruction	18,911,552	16,419,280
Supporting services	12,613,488	9,530,683
Food services	1,080,051	1,180,490
Community services	1,025,282	923,845
Student/school activity	411,188	393,603
Interest and fiscal charges		
on long-term debt	1,914,455	1,153,965
Unallocated depreciation	2,063,238	2,078,179
<b>Total expenses</b>	<u>38,019,254</u>	<u>31,680,045</u>
<b>Change in net position</b>	7,133,785	9,267,341
Net position, beginning of year (deficit)	<u>(27,654,900)</u>	<u>(36,922,241)</u>
<b>Net position, end of year (deficit)</b>	<u>\$ (20,521,115)</u>	<u>\$ (27,654,900)</u>

## PLAINWELL COMMUNITY SCHOOLS

### Management's Discussion and Analysis

**Governmental Activities.** Net position increased by \$7,133,785 compared to an increase of \$9,267,341 in the prior year. The main reason for the increase in overall expenses was due to changes in the net pension and OPEB liabilities and related deferred amounts. Operating grants and contributions increased by \$2,056,287 primarily due to State and Federal grants related to the Elementary and Secondary School Emergency Relief Fund (ESSER) to provide alternative learning delivery in accordance with the District's Continuity of Learning Plan. Over time, increases or decreases in the District's net position are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the District's operating results. However, the District's goal is to provide services to our students, not to generate profits. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the District.

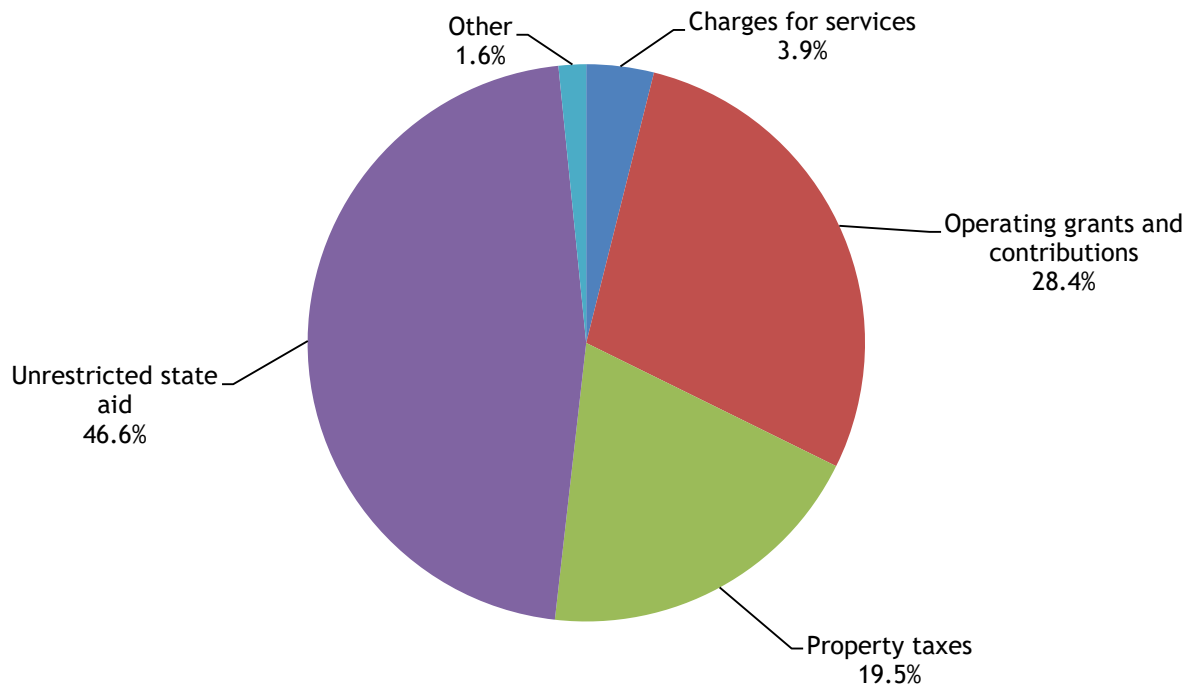
**Expenses and Program Revenues - Governmental Activities**



# PLAINWELL COMMUNITY SCHOOLS

## Management's Discussion and Analysis

Revenues by Source - Governmental Activities



### Financial Analysis of the Government's Funds

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

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

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,408,738, while the total fund balance was \$6,114,254. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 12.3% and 17.0%, respectively, of total general fund expenditures.

The fund balance of the District's general fund increased by \$72,333 from the prior year. The largest revenue source in this fund is state revenue which primarily includes state aid. Expenditures consist primarily of costs associated with instruction and related supporting activities.

## PLAINWELL COMMUNITY SCHOOLS

### Management's Discussion and Analysis

The fund balance of the District's bonded capital projects fund increased by \$15,100,758 from the prior year. The reason for the increase was due to the issuance of the 2022 bonds. The District maintains this fund in order to account for capital and infrastructure needs of the District.

The fund balance of the District's non bonded capital projects fund increased by \$526,870 from the prior year due to an additional transfer from the general fund. The District maintains this fund in order to plan and account for future capital and infrastructure needs of the District.

The fund balance of the District's 2020 refunding debt service fund was \$75,866. The District maintains this fund in order to account for expenditure for principal and interest related to the 2020 refunding bonds.

#### General Fund Budgetary Highlights

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

- The District had originally budgeted for an anticipated decrease in State Aid. At the time of the final budget amendment, State Aid was higher than originally anticipated.
- There were grants and other revenue sources related to the COVID-19 pandemic that were not originally budgeted.
- There were grants that were not completely expended by the end of the fiscal year. Also, there were delays in capital improvements due to supply chain issues.

In accordance with State statute, the District is prohibited from amending the budget after year-end. As the District's books are not closed for accounting purposes at that point, a certain level of estimation is required in determining actual need. The actual year end balances showed a variance in budgeted revenues of 0.24% and a variance in budgeted expenditures of -2.28% overall. While working within the restraints of state funding, the District still maintained a fund balance above the Board's set goal of 12% and maintained all critical instructional and support services and is the result of responsible budgeting and fiscal operating policies and procedures.



## PLAINWELL COMMUNITY SCHOOLS

### Management's Discussion and Analysis

#### Capital Asset and Debt Administration

**Capital Assets.** The District's investment in capital assets for its governmental activities as of June 30, 2023 amounted to \$61,907,909 (net of accumulated depreciation). Significant additions included the renovation of the Middle School, the field house, and the renovation of the elementary schools. Capital assets at year-end included the following:

	Capital Assets (Net of Depreciation)	
	2023	2022
Land	\$ 854,714	\$ 854,714
Construction in progress	9,034,581	11,306,309
Buildings and improvements	50,717,118	38,793,748
Technology	363,543	470,640
Equipment and furniture	287,516	376,908
Buses and other vehicles	505,164	591,801
Outside equipment	145,273	185,722
<b>Total capital assets, net</b>	<b>\$ 61,907,909</b>	<b>\$ 52,579,842</b>

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

**Long-term Debt.** At the end of the current fiscal year, the District had total long-term debt outstanding of \$67,930,221. The District's total debt increased by \$20,715,264 during the current fiscal year due to issuance of the 2022 building and site bonds.

	Long-term Debt	
	2023	2022
General obligation bonds	\$ 54,805,000	\$ 33,535,000
Unamortized bond premiums and discounts	1,926,478	951,326
School loan revolving fund	10,715,635	12,265,216
Compensated absences	483,108	463,415
<b>Total long-term debt</b>	<b>\$ 67,930,221</b>	<b>\$ 47,214,957</b>

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

#### Factors Bearing on the District's Future

The following factors were considered in preparing the District's budget for the 2023-2024 fiscal year:

- Student Enrollment - The District uses a conservative estimate in regards to student enrollment.
- Staffing Changes - The District estimates additional costs related to increases in staffing needs.

## PLAINWELL COMMUNITY SCHOOLS

### Management's Discussion and Analysis

- Capital Assets - The District estimates and incorporates costs for equipment, technology and maintenance of facilities.

#### Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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

## **BASIC FINANCIAL STATEMENTS**

# PLAINWELL COMMUNITY SCHOOLS

## Statement of Net Position

June 30, 2023

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 10,920,574
Investments	18,716,436
Receivables	6,245,642
Other assets	622,770
Capital assets not being depreciated	9,889,295
Capital assets being depreciated, net	<u>52,018,614</u>
<b>Total assets</b>	<u>98,413,331</u>
<b>Deferred outflows of resources</b>	
Deferred charge on advance bond refundings, net	544,778
Deferred pension amounts	16,479,480
Deferred other postemployment benefit amounts	<u>4,149,133</u>
<b>Total deferred outflows of resources</b>	<u>21,173,391</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	5,948,754
Unearned revenue	1,498,794
Bonds, notes and other long-term liabilities:	
Due within one year	3,769,251
Due in more than one year	64,160,970
Net pension liability (due in more than one year)	53,929,358
Net other postemployment benefit liability (due in more than one year)	<u>3,081,353</u>
<b>Total liabilities</b>	<u>132,388,480</u>
<b>Deferred inflows of resources</b>	
Deferred pension amounts	1,244,958
Deferred other postemployment benefit amounts	<u>6,474,399</u>
<b>Total deferred inflows of resources</b>	<u>7,719,357</u>
<b>Net position</b>	
Net investment in capital assets	12,160,714
Restricted for:	
Food service operations	939,444
Unrestricted (deficit)	<u>(33,621,273)</u>
<b>Total net position (deficit)</b>	<u>\$ (20,521,115)</u>

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

# PLAINWELL COMMUNITY SCHOOLS

## Statement of Activities

For the Year Ended June 30, 2023

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
<b>Governmental activities</b>				
Instruction	\$ 18,911,552	\$ -	\$ 10,796,035	\$ (8,115,517)
Supporting services	12,613,488	165,080	1,137,191	(11,311,217)
Food services	1,080,051	389,024	872,496	181,469
Community services	1,025,282	709,062	-	(316,220)
Student/school activity	411,188	494,553	-	83,365
Interest and fiscal charges on long-term debt	1,914,455	-	-	(1,914,455)
Unallocated depreciation	2,063,238	-	-	(2,063,238)
<b>Total governmental activities</b>	<u>\$ 38,019,254</u>	<u>\$ 1,757,719</u>	<u>\$ 12,805,722</u>	<u>(23,455,813)</u>
<b>General revenues</b>				
Property taxes - operations				2,556,726
Property taxes - debt service				6,250,118
Unrestricted state aid				21,008,393
Unrestricted investment earnings				722,050
Other revenues				<u>52,311</u>
<b>Total general revenues</b>				<u>30,589,598</u>
<b>Change in net position</b>				7,133,785
Net position, beginning of year (deficit)				<u>(27,654,900)</u>
<b>Net position, end of year (deficit)</b>				<u><u>\$ (20,521,115)</u></u>

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

## PLAINWELL COMMUNITY SCHOOLS

### Balance Sheet

Governmental Funds  
June 30, 2023

	General Fund	Bonded Capital Projects	Non Bonded Capital Projects	2020 Refunding Debt Service
<b>Assets</b>				
Cash and cash equivalents	\$ 5,182,160	\$ 385,589	\$ 3,928,666	\$ 53,736
Investments	145,681	18,570,755	-	-
Accounts receivable	67,175	-	-	-
Due from other governments	6,148,723	-	-	-
Due from other funds	63,310	27,324	500,000	22,130
Inventory	-	-	-	-
Prepaid items	587,695	-	-	-
<b>Total assets</b>	<b>\$ 12,194,744</b>	<b>\$ 18,983,668</b>	<b>\$ 4,428,666</b>	<b>\$ 75,866</b>
<b>Liabilities</b>				
Accounts payable	\$ 213,815	\$ 1,698,481	\$ -	\$ -
Accrued liabilities	3,679,000	-	-	-
Due to other funds	698,316	130,047	-	-
Unearned revenue	1,469,359	-	-	-
<b>Total liabilities</b>	<b>6,060,490</b>	<b>1,828,528</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	20,000	-	-	-
<b>Fund balances</b>				
Nonspendable	587,695	-	-	-
Restricted	-	17,155,140	-	75,866
Committed	-	-	-	-
Assigned	1,117,821	-	4,428,666	-
Unassigned	4,408,738	-	-	-
<b>Total fund balances</b>	<b>6,114,254</b>	<b>17,155,140</b>	<b>4,428,666</b>	<b>75,866</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 12,194,744</b>	<b>\$ 18,983,668</b>	<b>\$ 4,428,666</b>	<b>\$ 75,866</b>

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



Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,370,423	\$ 10,920,574
-	18,716,436
-	67,175
29,744	6,178,467
284,287	897,051
30,080	30,080
4,995	592,690
<u>\$ 1,719,529</u>	<u>\$ 37,402,473</u>
\$ 18,625	\$ 1,930,921
775	3,679,775
68,688	897,051
29,435	1,498,794
<u>117,523</u>	<u>8,006,541</u>
-	20,000
35,075	622,770
1,057,129	18,288,135
509,802	509,802
-	5,546,487
-	4,408,738
<u>1,602,006</u>	<u>29,375,932</u>
<u>\$ 1,719,529</u>	<u>\$ 37,402,473</u>

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## PLAINWELL COMMUNITY SCHOOLS

### Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
June 30, 2023

<b>Fund balances - total governmental funds</b>	<b>\$ 29,375,932</b>
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Amounts reported for *governmental activities* in the statement of net position are different because:

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

Capital assets not being depreciated	9,889,295
Capital assets being depreciated, net	52,018,614

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

Bonds, notes and other long-term liabilities	(65,520,635)
Compensated absences	(483,108)
Unamortized bond premiums and discounts, net	(1,926,478)
Unamortized deferred charge on advance bond refunding	544,778
Accrued interest on bonds payable	(338,058)

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

Deferred inflows for unavailable revenue - grants	20,000
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Certain pension and other postemployment benefit-related amounts, such as the net pension and other postemployment benefit liabilities and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Net pension liability	(53,929,358)
Deferred outflows related to the net pension liability	16,479,480
Deferred inflows related to the net pension liability	(1,244,958)
Net other postemployment benefit liability	(3,081,353)
Deferred outflows related to the net other postemployment benefit liability	4,149,133
Deferred inflows related to the net other postemployment benefit liability	(6,474,399)

<b>Net position of governmental activities</b>	<b><u>\$ (20,521,115)</u></b>
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The accompanying notes are an integral part of these financial statements.

# PLAINWELL COMMUNITY SCHOOLS

## Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2023

	General Fund	Bonded Capital Projects	Non Bonded Capital Projects	2020 Refunding Debt Service
<b>Revenues</b>				
Local sources	\$ 5,126,546	\$ 634,432	\$ 26,870	\$ 4,781,079
State sources	28,419,840	-	-	86,306
Federal sources	2,913,243	-	-	-
<b>Total revenues</b>	<u>36,459,629</u>	<u>634,432</u>	<u>26,870</u>	<u>4,867,385</u>
<b>Expenditures</b>				
Current:				
Instruction	20,882,820	-	-	-
Supporting services	13,160,137	-	-	-
Community services	1,074,964	-	-	-
Food services	-	-	-	-
Student/school activity	-	-	-	-
Debt service:				
Principal	-	-	-	4,364,581
Interest and fiscal charges	-	-	-	1,420,644
Facilities capital outlay	814,375	10,900,146	-	-
<b>Total expenditures</b>	<u>35,932,296</u>	<u>10,900,146</u>	<u>-</u>	<u>5,785,225</u>
Revenues over (under) expenditures	<u>527,333</u>	<u>(10,265,714)</u>	<u>26,870</u>	<u>(917,840)</u>
<b>Other financing sources (uses)</b>				
Transfers in	45,000	-	500,000	937,000
Transfers out	(500,000)	-	-	-
Issuance of long-term debt	-	24,235,000	-	-
Premium on issuance of bonds	-	1,131,472	-	-
<b>Total other financing sources (uses)</b>	<u>(455,000)</u>	<u>25,366,472</u>	<u>500,000</u>	<u>937,000</u>
<b>Net change in fund balances</b>	<u>72,333</u>	<u>15,100,758</u>	<u>526,870</u>	<u>19,160</u>
Fund balances, beginning of year	<u>6,041,921</u>	<u>2,054,382</u>	<u>3,901,796</u>	<u>56,706</u>
<b>Fund balances, end of year</b>	<u><u>\$ 6,114,254</u></u>	<u><u>\$ 17,155,140</u></u>	<u><u>\$ 4,428,666</u></u>	<u><u>\$ 75,866</u></u>

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



Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,267,235	\$ 12,836,162
48,537	28,554,683
848,951	3,762,194
<u>3,164,723</u>	<u>45,153,039</u>
-	20,882,820
-	13,160,137
-	1,074,964
1,090,196	1,090,196
411,188	411,188
150,000	4,514,581
702,841	2,123,485
-	11,714,521
<u>2,354,225</u>	<u>54,971,892</u>
<u>810,498</u>	<u>(9,818,853)</u>
221,168	1,703,168
(1,203,168)	(1,703,168)
-	24,235,000
-	1,131,472
<u>(982,000)</u>	<u>25,366,472</u>
(171,502)	15,547,619
<u>1,773,508</u>	<u>13,828,313</u>
<u>\$ 1,602,006</u>	<u>\$ 29,375,932</u>

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## PLAINWELL COMMUNITY SCHOOLS

### Reconciliation

Net Change in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended June 30, 2023

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 15,547,619</b>
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Amounts reported for *governmental activities* in the statement of activities are different because:

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

Capital assets purchased/constructed	11,391,305
Depreciation expense	(2,063,238)

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

Principal payments on bonds, notes and other long-term liabilities	4,514,581
Issuance of long-term debt	(24,235,000)
Premium on issuance of long-term debt	(1,131,472)
Amortization of bond premiums and discounts, net	156,320
Amortization of deferred charge on advance bond refunding	(108,955)

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

Change in the net pension liability and related deferred amounts	518,776
Change in the net other postemployment benefit liability and related deferred amounts	2,401,877
Change in accrued interest payable on bonds	161,665
Change in compensated absences payable	(19,693)

<b>Change in net position of governmental activities</b>	<b>\$ 7,133,785</b>
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The accompanying notes are an integral part of these financial statements.

## PLAINWELL COMMUNITY SCHOOLS

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Local sources	\$ 4,279,344	\$ 4,897,308	\$ 5,126,546	\$ 229,238
State sources	25,256,847	28,413,931	28,419,840	5,909
Federal sources	1,935,140	3,061,445	2,913,243	(148,202)
<b>Total revenues</b>	<u>31,471,331</u>	<u>36,372,684</u>	<u>36,459,629</u>	<u>86,945</u>
<b>Expenditures</b>				
Current:				
Instruction	19,463,667	21,243,866	20,882,820	(361,046)
Supporting services	11,723,839	13,599,945	13,160,137	(439,808)
Community services	1,107,319	1,085,332	1,074,964	(10,368)
Debt service:				
Interest and fiscal charges	4,000	-	-	-
Facilities capital outlay	700,000	840,000	814,375	(25,625)
<b>Total expenditures</b>	<u>32,998,825</u>	<u>36,769,143</u>	<u>35,932,296</u>	<u>(836,847)</u>
Revenues over (under) expenditures	<u>(1,527,494)</u>	<u>(396,459)</u>	<u>527,333</u>	<u>923,792</u>
<b>Other financing sources (uses)</b>				
Transfers in	20,000	20,000	45,000	25,000
Transfers out	-	-	(500,000)	(500,000)
<b>Total other financing sources (uses)</b>	<u>20,000</u>	<u>20,000</u>	<u>(455,000)</u>	<u>(475,000)</u>
<b>Net change in fund balance</b>	<u>(1,507,494)</u>	<u>(376,459)</u>	<u>72,333</u>	<u>448,792</u>
Fund balance, beginning of year	<u>6,041,921</u>	<u>6,041,921</u>	<u>6,041,921</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 4,534,427</u>	<u>\$ 5,665,462</u>	<u>\$ 6,114,254</u>	<u>\$ 448,792</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### **The Reporting Entity**

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

#### ***Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District had no *business-type activities* during the year ended June 30, 2023.

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

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

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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



# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

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

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

The District reports the following major governmental funds:

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

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

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

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

Additionally, the District reports the following fund types:

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

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. The District had no capital grants and contributions for the year ended June 30, 2023. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, unrestricted grants and interest income.

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

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

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

### ***Property Taxes***

Property taxes are recognized as revenue in the general and debt service funds on a levy year basis. The 2022 levy amounts are recognized as current property tax revenue to the extent that they are collected during the year or within 60 days after year-end. Collections of delinquent taxes in subsequent years are recognized as property tax revenues in the year collected. Property taxes are levied December 1 on the assessed valuation of property located in the District as of the preceding December 31, the lien date. Assessed values are established annually by the various governmental units within the District and are equalized by the State of Michigan.

### ***Cash and Cash Equivalents***

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

### ***Investments***

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

State statutes authorize the District to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### *Receivables*

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

### *Inventory and Prepaid Items*

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

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

### *Capital Assets*

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

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

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

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

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### ***Deferred Outflows of Resources***

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

### ***Salaries Payable and Accrued Employee Benefits***

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

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

### ***Compensated Absences***

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

### ***Deferred Inflows of Resources***

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

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### *Long-term Obligations*

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

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

### *Fund Equity*

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

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

### *Interfund Transactions*

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

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### *Pension and Other Postemployment Benefits*

For purposes of measuring the net pension and other postemployment benefit liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefit expense, information about the fiduciary net position of the Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### *Use of Estimates*

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

## 2. ACCOUNTABILITY AND BUDGETARY COMPLIANCE

### *Budgets and Budgetary Accounting*

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

1. The Superintendent submits to the Board a proposed operating budget for the fiscal year commencing the following July 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all required governmental funds.
5. Adoption and amendments of all budgets used by the District are governed by Public Act 621, which was followed for the year ended June 30, 2023. Expenditures may not exceed appropriations at the function code level. The appropriations resolutions are based on the projected expenditures budget of the department heads of the District. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### *Excess of Expenditures over Appropriations in Budgetary Funds*

Budgets are presented in the accompanying combining and individual fund financial statements and schedules are presented in greater detail than the legal level of compliance. During the year ended June 30, 2023, the District incurred the following expenditure in excess of the amounts appropriated.

	Final Budget	Actual	Variance
<b>General Fund</b>			
Transfers out	\$ -	\$ 500,000	\$ 500,000

### 3. STATE OF MICHIGAN SCHOOL AID

The District reports State of Michigan school aid in the fiscal year in which the District is entitled to the revenue as provided by State of Michigan school aid appropriation acts. State funding represented 78% of the District's general fund revenue during the 2023 fiscal year.

### 4. DEPOSITS AND INVESTMENTS

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

	Governmental Activities
Cash and cash equivalents	\$ 10,920,574
Investments	<u>18,716,436</u>
<b>Total</b>	<u><u>\$ 29,637,010</u></u>

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

Checking and savings accounts	\$ 8,935,777
Certificates of deposit (due in less than 1 year)	1,025
Investments:	
Michigan liquid asset fund plus (MILAF+)	4,483,544
Government bonds	8,451,584
Corporate fixed income	4,873,854
U.S. Treasury bills	2,891,126
Cash on hand	<u>100</u>
<b>Total</b>	<u><u>\$ 29,637,010</u></u>

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

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

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

	Maturity	Carrying Value	Rating
External investment pools:			
Michigan Liquid Asset Fund (MILAF):			
MILAF + Portfolio:			
Cash management class	N/A	\$ 4,338,356	AAAm S&P
MAX class	N/A	145,188	AAAm S&P
Government bonds	9/6/2023	609,545	Aaa Moody's
Government bonds	9/15/2023	5,979,374	N/A
Government bonds	3/31/2025	1,862,665	Aaa Moody's
Corporate fixed income	12/12/2023	2,920,521	N/A
Corporate fixed income	8/3/2023	1,953,333	N/A
U.S. Treasury bills	7/25/2023	<u>2,891,126</u>	N/A
<b>Total</b>		<u><u>\$ 20,700,108</u></u>	

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

### ***Investment and Deposit Risk***

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

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



# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District minimizes this risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors to be in compliance with the requirements set forth in the District's investment policy. As of year-end, \$9,048,083 of the District's bank balance of \$9,298,083 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

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

### **Fair Value Measurement**

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

At June 30, 2023, the District's investments in government bonds, corporate fixed income, and U.S. Treasury bills are considered Level 2 investments. The fair value of the District's Level 2 investments is determined primarily by a matrix pricing technique, which is used to value securities based on their relationship to benchmark quoted prices. Due to the inherent uncertainty of determining the fair value of investments that are not publicly traded, the fair value reported for these investments may differ significantly from the values that would have been used had a publicly traded market existed for such investments.

## 5. RECEIVABLES AND PAYABLES

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

	Governmental Activities
Accounts	\$ 67,175
Due from other governments	<u>6,178,467</u>
<b>Totals</b>	<u><u>\$ 6,245,642</u></u>

## PLAINWELL COMMUNITY SCHOOLS

### Notes to Financial Statements

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

	Governmental Activities
Accounts	\$ 1,930,921
Accrued liabilities	3,679,775
Interest payable on long-term debt	<u>338,058</u>
<b>Totals</b>	<b><u>\$ 5,948,754</u></b>

### 6. INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2023, was as follows:

	Due from Other Funds	Due to Other Funds
<b>Major governmental funds</b>		
General fund	\$ 63,310	\$ 698,316
Bonded capital projects	27,324	130,047
Non bonded capital projects	500,000	-
2020 refunding	22,130	-
<b>Nonmajor governmental funds</b>		
Food service	113,736	50,183
Student/school activity	34,195	18,505
2017 refunding	1,235	-
2022 bonds	<u>135,121</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 897,051</u></b>	<b><u>\$ 897,051</u></b>

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

## PLAINWELL COMMUNITY SCHOOLS

### Notes to Financial Statements

For the year ended June 30, 2023, interfund transfers consisted of the following:

Transfers Out	Transfers In				Total
	General Fund	Non Bonded Capital Projects	2020 Refunding	Nonmajor Governmental Funds	
General fund	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000
Nonmajor Governmental Funds	45,000	-	937,000	221,168	\$ 1,203,168
<b>Total</b>	<u>\$ 45,000</u>	<u>\$ 500,000</u>	<u>\$ 937,000</u>	<u>\$ 221,168</u>	<u>\$ 1,703,168</u>

Transfers are used to: (1) to cover direct and indirect costs paid by general fund on behalf of the food service fund; and (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due. The District transferred \$500,000 from the general fund to the non bonded capital project fund to save for future capital and infrastructure needs of the District.

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### 7. CAPITAL ASSETS

A summary of changes in capital assets activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 854,714	\$ -	\$ -	\$ -	\$ 854,714
Construction in progress	11,306,309	8,569,035	-	(10,840,763)	9,034,581
	<u>12,161,023</u>	<u>8,569,035</u>	<u>-</u>	<u>(10,840,763)</u>	<u>9,889,295</u>
Capital assets, being depreciated:					
Buildings and improvements	73,380,942	2,750,499	(15,998)	10,840,763	86,956,206
Land improvements	650,030	-	-	-	650,030
Technology	1,722,574	-	(89,425)	-	1,633,149
Equipment and furniture	3,886,326	-	(148,622)	-	3,737,704
Buses and other vehicles	1,607,676	71,771	-	-	1,679,447
Outside equipment	1,013,093	-	(38,081)	-	975,012
	<u>82,260,641</u>	<u>2,822,270</u>	<u>(292,126)</u>	<u>10,840,763</u>	<u>95,631,548</u>
Less accumulated depreciation for:					
Buildings and improvements	(34,587,194)	(1,667,892)	15,998	-	(36,239,088)
Land improvements	(650,030)	-	-	-	(650,030)
Technology	(1,251,934)	(107,097)	89,425	-	(1,269,606)
Equipment and furniture	(3,509,418)	(89,392)	148,622	-	(3,450,188)
Buses and other vehicles	(1,015,875)	(158,408)	-	-	(1,174,283)
Outside equipment	(827,371)	(40,449)	38,081	-	(829,739)
	<u>(41,841,822)</u>	<u>(2,063,238)</u>	<u>292,126</u>	<u>-</u>	<u>(43,612,934)</u>
Total capital assets being depreciated, net	<u>40,418,819</u>	<u>759,032</u>	<u>-</u>	<u>10,840,763</u>	<u>52,018,614</u>
<b>Governmental activities</b>					
capital assets, net	<u>\$ 52,579,842</u>	<u>\$ 9,328,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,907,909</u>

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

At June 30, 2023, the District had outstanding commitments through construction contracts of approximately \$21,974,000.

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### 8. BONDS, NOTES AND OTHER LONG-TERM LIABILITIES

The following is a summary of bonds, notes, and other long-term liabilities activity of the District for the year ended June 30, 2023:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 33,535,000	\$ 24,235,000	\$ (2,965,000)	\$ 54,805,000	\$ 3,385,000
Direct borrowing -					
School loan revolving fund	12,265,216	-	(1,549,581)	10,715,635	-
Unamortized premiums					
and discounts	951,326	1,131,472	(156,320)	1,926,478	160,986
Compensated absences	463,415	229,087	(209,394)	483,108	223,265
<b>Total governmental activities</b>	<u>\$ 47,214,957</u>	<u>\$ 25,595,559</u>	<u>\$ (4,880,295)</u>	<u>\$ 67,930,221</u>	<u>\$ 3,769,251</u>

#### General obligation bonds

\$26,800,000 2017 Refunding serial bond due beginning in 2020  
in annual installments of \$150,000 to \$2,760,000 through 2028  
interest at 2.00% to 3.00%

\$ 750,000

\$18,350,000 2020 Serial bond due beginning in 2023  
in annual installments of \$1,115,000 to \$3,050,000 through 2029  
interest at 1.00% to 1.90%

15,705,000

\$14,455,000 2020 School building and site bond due beginning in 2022  
in annual installments of \$100,000 to \$695,000 through 2050  
interest at 2.00% to 5.00%

14,115,000

\$24,235,000 2022 School building and site bond due beginning in 2024  
in annual installments of \$100,000 to \$1,770,000 through 2052  
interest at 4.00% to 5.00%

24,235,000

**Total**

\$ 54,805,000

## PLAINWELL COMMUNITY SCHOOLS

### Notes to Financial Statements

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

Year Ended June 30,	Principal	Interest	Total
2024	\$ 3,385,000	\$ 1,687,719	\$ 5,072,719
2025	3,050,000	1,632,069	4,682,069
2026	3,420,000	1,583,319	5,003,319
2027	3,145,000	1,522,811	4,667,811
2028	3,200,000	1,470,391	4,670,391
2029-2033	6,250,000	6,605,315	12,855,315
2034-2038	7,215,000	5,377,544	12,592,544
2039-2043	8,460,000	3,712,600	12,172,600
2044-2048	10,050,000	2,373,464	12,423,464
2049-2052	6,630,000	572,876	7,202,876
<b>Totals</b>	<b>\$ 54,805,000</b>	<b>\$ 26,538,108</b>	<b>\$ 81,343,108</b>

The State of Michigan school loan funds represent amounts borrowed from the State of Michigan school loan revolving fund to supplement property tax revenue for making payments on the District's general obligation bonds. Although interest accrues each year, no payment is due until such time as the District's property tax revenue is sufficient to support the debt service requirements on the general obligation bonds. Changes to the school loan funds for the year ended June 30, 2023, are as follows:

	Principal	Interest	Total
Beginning balance	\$ 12,265,216	\$ 385,652	\$ 12,650,868
Additions	-	426,539	426,539
Deductions	(1,549,581)	(755,419)	(2,305,000)
<b>Ending balance</b>	<b>\$ 10,715,635</b>	<b>\$ 56,772</b>	<b>\$ 10,772,407</b>

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

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### 9. PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS

#### *Plan Description*

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

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

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

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

#### *Pension Benefits Provided*

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25% to 1.50%. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

## PLAINWELL COMMUNITY SCHOOLS

### Notes to Financial Statements

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

#### ***Other Postemployment Benefits Provided***

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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



## PLAINWELL COMMUNITY SCHOOLS

### Notes to Financial Statements

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

#### ***Contributions***

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2021 valuation will be amortized over an 17-year period beginning October 1, 2021 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2023:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	20.14% - 20.16%
Member Investment Plan (MIP)	3.00% - 7.00%	20.14% - 20.16%
Pension Plus	3.00% - 6.40%	17.22% - 17.24%
Pension Plus 2	6.20%	19.93% - 19.95%
Defined Contribution	0.00%	13.73% - 13.75%

For the year ended June 30, 2023, required and actual contributions from the District to the pension plan were \$5,322,299, which included \$2,508,298, the amount received from the State and remitted to the System to fund the MPSERS unfunded actuarial accrued liability ("UAAL") stabilization rate. In addition, the District had additional contributions of \$1,460,802, which was a one-time, state payment toward the MPSERS unfunded liability.

## PLAINWELL COMMUNITY SCHOOLS

### Notes to Financial Statements

The table below summarizes OPEB contribution rates in effect for fiscal year 2023:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	8.07% - 8.09%
Personal Healthcare Fund (PHF)	0.00%	7.21% - 7.23%

For the year ended June 30, 2023, required and actual contributions from the District to the OPEB plan were \$1,267,546.

The table below summarizes defined contribution rates in effect for fiscal year 2023:

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

For the year ended June 30, 2023, required and actual contributions from the District for those members with a defined contribution benefit were \$201,860.

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

At June 30, 2023, the District reported a liability of \$53,929,358 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2021. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2022, the District's proportion was 0.14340%, which was a decrease of 0.00296% from its proportion measured as of September 30, 2021.

## PLAINWELL COMMUNITY SCHOOLS

### Notes to Financial Statements

For the year ended June 30, 2023, the District recognized pension expense of \$6,264,447. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ 539,482	\$ 120,580	\$ 418,902
Changes in assumptions	9,266,996	-	9,266,996
Net difference between projected and actual earnings on pension plan investments	126,464	-	126,464
Changes in proportion and differences between employer contributions and proportionate share of contributions	39,147	1,124,378	(1,085,231)
	<u>9,972,089</u>	<u>1,244,958</u>	<u>8,727,131</u>
District contributions subsequent to the measurement date	<u>6,507,391</u>	<u>-</u>	<u>6,507,391</u>
<b>Total</b>	<u><u>\$ 16,479,480</u></u>	<u><u>\$ 1,244,958</u></u>	<u><u>\$ 15,234,522</u></u>

The amount reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2024	\$ 2,469,740
2025	1,718,001
2026	1,520,192
2027	<u>3,019,198</u>
<b>Total</b>	<u><u>\$ 8,727,131</u></u>

## PLAINWELL COMMUNITY SCHOOLS

### Notes to Financial Statements

#### *OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2023, the District reported a liability of \$3,081,353 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2021. The District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2022, the District's proportion was 0.14548% which was a decrease of 0.00021% from its proportion measured as of September 30, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$(1,221,458). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ 6,035,191	\$ (6,035,191)
Changes in assumptions	2,746,509	223,636	2,522,873
Net difference between projected and actual earnings on OPEB plan investments	240,832	-	240,832
Changes in proportion and differences between employer contributions and proportionate share of contributions	53,992	215,572	(161,580)
	<u>3,041,333</u>	<u>6,474,399</u>	<u>(3,433,066)</u>
District contributions subsequent to the measurement date	<u>1,107,800</u>	<u>-</u>	<u>1,107,800</u>
<b>Total</b>	<u><u>\$ 4,149,133</u></u>	<u><u>\$ 6,474,399</u></u>	<u><u>\$ (2,325,266)</u></u>

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

The amount reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended 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:

Year Ended June 30,	Amount
2024	\$ (1,191,663)
2025	(1,076,765)
2026	(991,144)
2027	(110,961)
2028	(62,652)
Thereafter	<u>119</u>
<b>Total</b>	<b><u>\$ (3,433,066)</u></b>

### Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total pension and OPEB liabilities in the September 30, 2021 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age, normal
Wage inflation rate	2.75%
Investment rate of return:	
MIP and Basic plans (non-hybrid)	6.00%
Pension Plus plan (hybrid)	6.00%
Pension Plus 2 plan (hybrid)	6.00%
OPEB plans	6.00%
Projected salary increases	2.75% - 11.55%, including wage inflation at 2.75%
Cost of living adjustments	3% annual non-compounded for MIP members
Healthcare cost trend rate	Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65: 5.25% Year 1 graded to 3.5% Year 15; 3.0% Year 120
Mortality	RP-2014 Male and Female Employee Annuitant Mortality Tables, adjusted for mortality improvements using projection scale MP-2017 from 2006. For retirees, the tables were scaled by 82% for males and 78% for females. For active members, 100% of the table rates were used for both males and females.

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

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

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2018 valuation. The total pension and OPEB liabilities as of September 30, 2022, are based on the results of an actuarial valuation date of September 30, 2021, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.3922 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.2250 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Changes in assumptions. The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00% for the MIP and Basic plans, 6.00% for the Pension Plus Plan, and 6.00% for OPEB.

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### *Long-term Expected Return on Pension Plan Assets*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	4.77%	1.19%
Private equity pools	16.00%	8.13%	1.30%
International equity pools	15.00%	6.26%	0.94%
Fixed income pools	13.00%	-0.19%	-0.02%
Real estate and infrastructure pools	10.00%	4.95%	0.50%
Absolute return pools	9.00%	2.52%	0.23%
Real return/opportunistic pools	10.00%	5.42%	0.54%
Short-term investment pools	2.00%	-0.47%	-0.01%
	<u>100.00%</u>		4.67%
Inflation			2.20%
Risk adjustment			<u>-0.87%</u>
<b>Investment rate of return</b>			<u><u>6.00%</u></u>

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### *Long-term Expected Return on OPEB Plan Assets*

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	4.77%	1.19%
Private equity pools	16.00%	8.13%	1.30%
International equity pools	15.00%	6.26%	0.94%
Fixed income pools	13.00%	-0.19%	-0.02%
Real estate and infrastructure pools	10.00%	4.95%	0.50%
Absolute return pools	9.00%	2.52%	0.23%
Real return/opportunistic pools	10.00%	5.42%	0.54%
Short-term investment pools	2.00%	-0.47%	-0.01%
	<u>100.00%</u>		4.67%
Inflation			2.20%
Risk adjustment			<u>-0.87%</u>
<b>Investment rate of return</b>			<u><u>6.00%</u></u>

### *Rate of Return*

For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was -4.18% and -4.99%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



## PLAINWELL COMMUNITY SCHOOLS

### Notes to Financial Statements

#### ***Discount Rate***

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

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

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

	<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 pension liability	\$ 71,166,717	\$ 53,929,358	\$ 39,724,997

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 6.00%, as well as what the District's proportionate share of the net OPEB 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 (6.00%)</b>	<b>1% Increase (7.00%)</b>
District's proportionate share of the net OPEB liability	\$ 5,168,674	\$ 3,081,353	\$ 1,323,571

PLAINWELL COMMUNITY SCHOOLS

Notes to Financial Statements

*Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate*

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,290,323	\$ 3,081,353	\$ 5,091,820

*Pension and OPEB Plans Fiduciary Net Position*

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

*Payable to the Pension Plan*

At June 30, 2023, the District reported a payable of \$1,048,722 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2023.

*Payable to the OPEB Plan*

At June 30, 2023, the District reported a payable of \$116,856 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2023.

## PLAINWELL COMMUNITY SCHOOLS

### Notes to Financial Statements

#### 10. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General Fund	Bonded Capital Projects	Non Bonded Capital Projects	2020 Refunding Debt Service	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 35,075	\$ 35,075
Prepaid items	587,695	-	-	-	-	587,695
	<u>587,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,075</u>	<u>622,770</u>
<b>Restricted</b>						
Capital projects	-	17,155,140	-	-	-	17,155,140
Debt service	-	-	-	75,866	152,760	228,626
Food service program	-	-	-	-	904,369	904,369
	<u>-</u>	<u>17,155,140</u>	<u>-</u>	<u>75,866</u>	<u>1,057,129</u>	<u>18,288,135</u>
<b>Committed</b>						
Student/school activity	-	-	-	-	509,802	509,802
<b>Assigned</b>						
Next fiscal year						
budget appropriations	1,117,821	-	-	-	-	1,117,821
Future capital projects	-	-	4,428,666	-	-	4,428,666
	<u>1,117,821</u>	<u>-</u>	<u>4,428,666</u>	<u>-</u>	<u>-</u>	<u>5,546,487</u>
<b>Unassigned</b>	<u>4,408,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,408,738</u>
<b>Total fund balances - governmental funds</b>	<u>\$ 6,114,254</u>	<u>\$ 17,155,140</u>	<u>\$ 4,428,666</u>	<u>\$ 75,866</u>	<u>\$ 1,602,006</u>	<u>\$ 29,375,932</u>

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### 11. NET INVESTMENT IN CAPITAL ASSETS

The composition of the District's net investment in capital assets as of June 30, 2023, was as follows:

	Governmental Activities
Capital assets:	
Capital assets not being depreciated	\$ 9,889,295
Capital assets being depreciated, net	<u>52,018,614</u>
	<u>61,907,909</u>
Related debt:	
General obligation bonds	54,805,000
Unexpended bond proceeds	(17,155,140)
Unamortized premiums and discounts on bonds payable, net	1,926,478
School loan revolving fund	10,715,635
Deferred charge on advance bond refundings, net	<u>(544,778)</u>
	<u>49,747,195</u>
<b>Net investment in capital assets</b>	<b><u>\$ 12,160,714</u></b>

### 12. CONTINGENCIES

#### *Federal Grant Programs*

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

#### *Risk Management*

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2023, the District carried commercial insurance and participated in a public entity risk pool. The District has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Financial Statements

### 13. TAX ABATEMENTS

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. Property taxes abated on behalf of the District in fiscal year 2023 amounted to \$369,959.

### 14. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the District to deliver education to students in a safe environment, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. Over the past several years, the District has been awarded funds from various sources to be used to respond to the impacts of the COVID-19 pandemic. Of the amount awarded, approximately \$2.0 million was expended and recognized as revenue during the current fiscal year. With these additional Federal resources, at this time management does not believe that the negative financial impact of the pandemic, if any, would be material to the District.

### 15. BONDED CONSTRUCTION COSTS

#### *Bonded Capital Projects Fund Compliance*

The Bonded Capital Projects Fund includes capital project activities funded with proceeds from the 2020 and 2022 building and site bonds. For these activities, the District has complied with the applicable provisions of §1351a of the Revised School Code and the applicable section of the Revised Bulletin for School District Audits of Bonded Construction Funds and Sinking Funds in Michigan.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

## PLAINWELL COMMUNITY SCHOOLS

### Required Supplementary Information

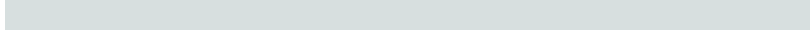
MPERS Cost-Sharing Multiple-Employer Plan

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

	Year Ended June 30,			
	2023	2022	2021	2020
District's proportionate share of the net pension liability	\$ 53,929,358	\$ 34,651,419	\$ 51,067,275	\$ 49,376,036
District's proportion of the net pension liability	0.14340%	0.14636%	0.14866%	0.14910%
District's covered payroll	\$ 14,171,541	\$ 13,170,625	\$ 13,112,297	\$ 13,089,131
District's proportionate share of the net pension liability as a percentage of its covered payroll	380.55%	263.10%	389.46%	377.23%
Plan fiduciary net position as a percentage of the total pension liability	60.77%	72.60%	59.72%	60.31%

See notes to required supplementary information.





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

## PLAINWELL COMMUNITY SCHOOLS

### Required Supplementary Information

MPERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Pension Contributions

	Year Ended June 30,			
	2023	2022	2021	2020
Statutorily required contribution	\$ 5,322,299	\$ 4,857,510	\$ 4,451,871	\$ 4,086,310
Contributions in relation to the statutorily required contribution	<u>(5,322,299)</u>	<u>(4,857,510)</u>	<u>(4,451,871)</u>	<u>(4,086,310)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 14,981,314	\$ 14,057,258	\$ 13,431,095	\$ 13,225,195
Contributions as a percentage of covered payroll	35.53%	34.56%	33.15%	30.90%

See notes to required supplementary information.

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

## PLAINWELL COMMUNITY SCHOOLS

### Required Supplementary Information

MPERS Cost-Sharing Multiple-Employer Plan

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

	Year Ended June 30,			
	2023	2022	2021	2020
District's proportionate share of the net OPEB liability	\$ 3,081,353	\$ 2,223,724	\$ 7,933,193	\$ 10,764,789
District's proportion of the net OPEB liability	0.14548%	0.14569%	0.14808%	0.14997%
District's covered payroll	\$ 14,171,541	\$ 13,170,625	\$ 13,112,297	\$ 13,089,131
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	21.74%	16.88%	60.50%	82.24%
Plan fiduciary net position as a percentage of the total OPEB liability	83.09%	87.33%	59.44%	48.46%

See notes to required supplementary information.

Year Ended June 30,	
2019	2018
\$ 11,832,363	\$ 13,113,486
0.14885%	0.14808%
\$ 12,664,125	\$ 12,355,673
93.43%	106.13%
42.95%	36.39%

## PLAINWELL COMMUNITY SCHOOLS

### Required Supplementary Information

MPERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Other Postemployment Benefit Contributions

	Year Ended June 30,			
	2023	2022	2021	2020
Statutorily required contributions	\$ 1,267,546	\$ 1,186,694	\$ 1,161,044	\$ 1,052,888
Contributions in relation to the statutorily required contributions	<u>(1,267,546)</u>	<u>(1,186,694)</u>	<u>(1,161,044)</u>	<u>(1,052,888)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 14,981,314	\$ 14,057,258	\$ 13,431,095	\$ 13,225,195
Contributions as a percentage of covered payroll	8.46%	8.44%	8.64%	7.96%

See notes to required supplementary information.

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

# PLAINWELL COMMUNITY SCHOOLS

## Notes to Required Supplementary Information

### Pension Information

GASB 68 was implemented in fiscal year 2015. The pension plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

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

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

- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00% for the MIP and Basic plans, and 6.00% for the Pension Plus Plan.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

### OPEB Information

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

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

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

- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00%.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%. The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased to 7.75%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%. The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased to 7.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.95%.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.



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

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## **GENERAL FUND**

## PLAINWELL COMMUNITY SCHOOLS

### Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Local sources:				
Property taxes	\$ 2,287,137	\$ 2,555,480	\$ 2,556,726	\$ 1,246
Tuition	42,500	53,833	53,933	100
Earnings on investments	500	29,000	34,831	5,831
Athletics	78,050	76,900	82,431	5,531
Other local revenues	1,871,157	2,182,095	2,398,625	216,530
Total local sources	4,279,344	4,897,308	5,126,546	229,238
State sources:				
State aid - unrestricted	20,409,309	21,031,510	21,008,393	(23,117)
Grants - restricted	4,847,538	7,382,421	7,411,447	29,026
Total state sources	25,256,847	28,413,931	28,419,840	5,909
Federal sources - grants	1,935,140	3,061,445	2,913,243	(148,202)
<b>Total revenues</b>	31,471,331	36,372,684	36,459,629	86,945
<b>Expenditures</b>				
Current:				
Instruction:				
Basic programs:				
Elementary:				
Salaries	3,486,858	3,545,373	3,553,552	8,179
Employee benefits	2,671,385	3,146,486	3,148,442	1,956
Purchased services	305,744	345,423	297,655	(47,768)
Supplies and materials	176,409	166,944	170,782	3,838
Capital outlay	178,806	130,805	129,412	(1,393)
Other	5,055	5,055	1,577	(3,478)
Total elementary	6,824,257	7,340,086	7,301,420	(38,666)
Middle school:				
Salaries	1,716,626	1,883,143	1,879,245	(3,898)
Employee benefits	1,432,046	1,738,689	1,733,342	(5,347)
Purchased services	173,037	175,719	165,047	(10,672)
Supplies and materials	90,478	65,842	64,924	(918)
Capital outlay	165,857	194,473	191,547	(2,926)
Other	3,000	4,000	4,099	99
Total middle school	3,581,044	4,061,866	4,038,204	(23,662)

continued...

## PLAINWELL COMMUNITY SCHOOLS

### Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Instruction (continued):				
Basic programs (concluded):				
High school:				
Salaries	\$ 2,572,094	\$ 2,692,257	\$ 2,663,720	\$ (28,537)
Employee benefits	1,959,319	2,265,566	2,251,526	(14,040)
Purchased services	341,007	322,068	325,415	3,347
Supplies and materials	127,406	189,510	191,878	2,368
Capital outlay	216,503	219,967	208,561	(11,406)
Other	9,880	9,980	7,960	(2,020)
Total high school	5,226,209	5,699,348	5,649,060	(50,288)
Pre-school:				
Purchased services	38,407	60,483	59,808	(675)
Supplies and materials	1,200	1,200	538	(662)
Total pre-school	39,607	61,683	60,346	(1,337)
Summer school:				
Salaries	66,750	70,628	60,767	(9,861)
Employee benefits	48,382	24,427	20,761	(3,666)
Purchased services	22,500	36,500	35,551	(949)
Total summer school	137,632	131,555	117,079	(14,476)
Total basic programs	15,808,749	17,294,538	17,166,109	(128,429)
Added needs:				
Special education:				
Salaries	1,224,288	1,229,092	1,229,552	460
Employee benefits	1,012,620	1,147,063	1,147,899	836
Purchased services	72,250	43,850	38,740	(5,110)
Supplies and materials	13,950	11,850	10,359	(1,491)
Total special education	2,323,108	2,431,855	2,426,550	(5,305)
Compensatory education:				
Salaries	603,535	716,466	696,898	(19,568)
Employee benefits	322,354	370,220	363,656	(6,564)
Purchased services	37,000	59,678	59,536	(142)
Supplies and materials	10,273	2,520	2,520	-
Total compensatory education	973,162	1,148,884	1,122,610	(26,274)
Total added needs	3,296,270	3,580,739	3,549,160	(31,579)

continued...

## PLAINWELL COMMUNITY SCHOOLS

### Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Instruction (concluded):				
Adult and continuing education:				
Basic:				
Salaries	\$ 71,647	\$ 49,536	\$ 2,065	\$ (47,471)
Employee benefits	18,566	18,168	201	(17,967)
Purchased services	99,907	57,440	48,415	(9,025)
Supplies and materials	17,761	6,248	990	(5,258)
Total basic	207,881	131,392	51,671	(79,721)
Secondary:				
Salaries	54,416	93,523	47,675	(45,848)
Employee benefits	18,456	44,186	19,871	(24,315)
Purchased services	66,958	94,520	45,992	(48,528)
Supplies and materials	10,937	4,968	2,342	(2,626)
Total secondary	150,767	237,197	115,880	(121,317)
Total adult and continuing education	358,648	368,589	167,551	(201,038)
Total instruction	19,463,667	21,243,866	20,882,820	(361,046)
Supporting services:				
Pupil services:				
Truancy/absenteeism services:				
Salaries	50,000	42,148	42,150	2
Employee benefits	35,500	32,234	32,158	(76)
Total truancy/absenteeism services	85,500	74,382	74,308	(74)
Guidance services:				
Salaries	349,953	407,974	399,988	(7,986)
Employee benefits	240,191	258,524	250,635	(7,889)
Purchased services	57,239	30,443	31,105	662
Total guidance services	647,383	696,941	681,728	(15,213)
Health services:				
Salaries	48,067	51,772	51,772	-
Employee benefits	44,490	55,161	54,969	(192)
Supplies and materials	1,000	750	464	(286)
Total health services	93,557	107,683	107,205	(478)

continued...

## PLAINWELL COMMUNITY SCHOOLS

### Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Supporting services (continued):				
Pupil services (concluded):				
Psychological services:				
Salaries	\$ 73,609	\$ 82,111	\$ 79,388	\$ (2,723)
Employee benefits	60,700	77,100	75,957	(1,143)
Supplies and materials	2,500	2,000	472	(1,528)
Total psychological services	136,809	161,211	155,817	(5,394)
Speech services:				
Salaries	93,017	110,660	110,660	-
Employee benefits	60,452	85,492	85,440	(52)
Purchased services	82,000	87,745	87,745	-
Supplies and materials	1,500	1,000	690	(310)
Total speech services	236,969	284,897	284,535	(362)
Social work services:				
Salaries	269,648	251,188	241,566	(9,622)
Employee benefits	192,754	195,750	195,928	178
Purchased services	-	208,000	198,024	(9,976)
Supplies and materials	1,000	500	325	(175)
Total social work	463,402	655,438	635,843	(19,595)
Other pupil services:				
Salaries	102,216	165,543	163,843	(1,700)
Employee benefits	75,085	108,323	100,622	(7,701)
Purchased services	-	6,789	6,789	-
Total other pupil services	177,301	280,655	271,254	(9,401)
Total pupil services	1,840,921	2,261,207	2,210,690	(50,517)
Instructional staff:				
Improvement of instruction:				
Salaries	158,140	184,158	171,227	(12,931)
Employee benefits	83,585	85,472	90,944	5,472
Purchased services	92,248	215,687	206,802	(8,885)
Supplies and materials	940	500	28	(472)
Total improvement of instruction	334,913	485,817	469,001	(16,816)

continued...

## PLAINWELL COMMUNITY SCHOOLS

### Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Supporting services (continued):				
Instructional (concluded):				
Educational media services:				
Salaries	\$ 55,000	\$ 59,000	\$ 57,973	\$ (1,027)
Employee benefits	32,347	40,475	39,027	(1,448)
Purchased services	14,556	14,056	5,866	(8,190)
Supplies and materials	14,961	15,261	11,306	(3,955)
Other	1,865	2,339	2,626	287
Total educational media services	118,729	131,131	116,798	(14,333)
Supervision and direction of instructional staff:				
Salaries	197,026	249,574	250,522	948
Employee benefits	153,983	206,630	204,573	(2,057)
Purchased services	17,050	14,050	10,582	(3,468)
Total supervision and direction of instructional staff	368,059	470,254	465,677	(4,577)
Academic student assessment:				
Supplies and materials	3,280	3,477	-	(3,477)
Total instructional staff	824,981	1,090,679	1,051,476	(39,203)
General administration:				
Board of Education:				
Purchased services	93,760	72,500	57,843	(14,657)
Other	6,991	61,506	55,092	(6,414)
Total board of education	100,751	134,006	112,935	(21,071)
Executive administration:				
Salaries	255,726	266,066	265,558	(508)
Employee benefits	192,357	230,074	229,998	(76)
Purchased services	10,800	11,400	6,813	(4,587)
Supplies and materials	6,500	6,500	1,472	(5,028)
Other	11,372	15,872	17,648	1,776
Total executive administration	476,755	529,912	521,489	(8,423)
Total general administration	577,506	663,918	634,424	(29,494)

continued...



## PLAINWELL COMMUNITY SCHOOLS

### Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Supporting services (continued):				
School administration:				
Office of the Principal:				
Salaries	\$ 966,891	\$ 1,066,569	\$ 1,045,882	\$ (20,687)
Employee benefits	681,219	888,741	879,523	(9,218)
Purchased services	29,575	19,515	8,119	(11,396)
Supplies and materials	16,200	15,700	14,624	(1,076)
Other	10,435	9,935	5,189	(4,746)
Total office of the principal	<u>1,704,320</u>	<u>2,000,460</u>	<u>1,953,337</u>	<u>(47,123)</u>
Other administration:				
Salaries	25,701	-	-	-
Employee benefits	7,453	-	-	-
Supplies and materials	1,820	1,610	853	(757)
Total other administration	<u>34,974</u>	<u>1,610</u>	<u>853</u>	<u>(757)</u>
Total school administration	<u>1,739,294</u>	<u>2,002,070</u>	<u>1,954,190</u>	<u>(47,880)</u>
Business:				
Fiscal services:				
Salaries	215,646	224,015	220,336	(3,679)
Employee benefits	158,434	203,868	203,678	(190)
Purchased services	51,750	54,850	48,537	(6,313)
Supplies and materials	8,500	11,000	11,779	779
Other	13,000	13,000	12,968	(32)
Total fiscal services	<u>447,330</u>	<u>506,733</u>	<u>497,298</u>	<u>(9,435)</u>
Other:				
Other	<u>17,500</u>	<u>3,000</u>	<u>1,160</u>	<u>(1,840)</u>
Total business	<u>464,830</u>	<u>509,733</u>	<u>498,458</u>	<u>(11,275)</u>
Operating and buildings services:				
Salaries	631,034	750,424	746,805	(3,619)
Employee benefits	515,619	700,826	701,628	802
Purchased services	1,879,400	1,990,003	1,882,800	(107,203)
Security services	97,480	72,985	79,822	6,837
Supplies and materials	286,000	457,000	443,877	(13,123)
Capital outlay	100,000	104,767	102,538	(2,229)
Other	5,000	10,000	10,058	58
Total operating and buildings services	<u>3,514,533</u>	<u>4,086,005</u>	<u>3,967,528</u>	<u>(118,477)</u>

continued...

## PLAINWELL COMMUNITY SCHOOLS

### Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Supporting services (concluded):				
Pupil transportation:				
Salaries	\$ 373,678	\$ 348,684	\$ 324,454	\$ (24,230)
Employee benefits	275,207	312,400	306,342	(6,058)
Purchased services	261,795	436,101	329,902	(106,199)
Capital outlay	30,000	-	-	-
Other	7,500	5,500	4,496	(1,004)
Total pupil transportation	948,180	1,102,685	965,194	(137,491)
Central services:				
Communication services:				
Salaries	68,000	79,500	75,373	(4,127)
Employee benefits	59,821	76,615	75,169	(1,446)
Purchased services	43,300	49,850	46,638	(3,212)
Supplies and materials	35,000	19,496	24,999	5,503
Other	125	125	125	-
Total communication services	206,246	225,586	222,304	(3,282)
Staff/personnel services:				
Purchased services	87,085	175,992	173,608	(2,384)
Supplies and materials	-	500	394	(106)
Total staff/personnel services	87,085	176,492	174,002	(2,490)
Support services technology:				
Purchased services	518,000	535,611	533,895	(1,716)
Supplies and materials	46,000	39,000	32,415	(6,585)
Capital outlay	150,000	55,000	64,895	9,895
Total support services technology	714,000	629,611	631,205	1,594
Total central services	1,007,331	1,031,689	1,027,511	(4,178)
Athletic activities:				
Salaries	252,800	258,906	258,741	(165)
Employee benefits	138,818	179,106	180,595	1,489
Purchased services	298,455	301,750	297,690	(4,060)
Supplies and materials	92,190	84,697	81,978	(2,719)
Capital outlay	24,000	27,500	31,662	4,162
Total athletic activities	806,263	851,959	850,666	(1,293)
Total supporting services	11,723,839	13,599,945	13,160,137	(439,808)

continued...

## PLAINWELL COMMUNITY SCHOOLS

### Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Community services:				
Direction:				
Salaries	\$ 109,214	\$ 108,061	\$ 105,167	\$ (2,894)
Employee benefits	76,325	72,239	76,944	4,705
Purchased services	3,850	5,245	1,148	(4,097)
Supplies and materials	1,500	500	-	(500)
Other	6,500	7,000	5,591	(1,409)
Total direction	197,389	193,045	188,850	(4,195)
Community programs:				
Salaries	89,000	87,500	81,342	(6,158)
Employee benefits	52,058	47,414	45,781	(1,633)
Purchased services	42,655	26,415	20,586	(5,829)
Supplies and materials	16,100	17,050	16,021	(1,029)
Other	1,500	3,880	3,066	(814)
Total community programs	201,313	182,259	166,796	(15,463)
Custody and care of children:				
Salaries	221,035	267,750	265,343	(2,407)
Employee benefits	94,684	104,105	98,834	(5,271)
Purchased services	278,432	239,432	246,263	6,831
Supplies and materials	63,000	79,350	90,825	11,475
Total custody and care of children	657,151	690,637	701,265	10,628
Drivers Education:				
Salaries	27,949	12,500	12,754	254
Employee benefits	10,067	2,991	2,908	(83)
Purchased services	11,500	2,500	1,671	(829)
Supplies and materials	1,950	1,400	720	(680)
Total drivers education	51,466	19,391	18,053	(1,338)
Total community services	1,107,319	1,085,332	1,074,964	(10,368)
Debt service:				
Interest and fiscal charges	4,000	-	-	-
Facilities capital outlay	700,000	840,000	814,375	(25,625)
<b>Total expenditures</b>	<b>32,998,825</b>	<b>36,769,143</b>	<b>35,932,296</b>	<b>(836,847)</b>
Revenues over (under) expenditures	(1,527,494)	(396,459)	527,333	923,792

continued...

## PLAINWELL COMMUNITY SCHOOLS

### Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - By Activity - General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Other financing sources (uses)</b>				
Transfers in	\$ 20,000	\$ 20,000	\$ 45,000	\$ 25,000
Transfers out	-	-	(500,000)	(500,000)
<b>Total other financing sources (uses)</b>	<u>20,000</u>	<u>20,000</u>	<u>(455,000)</u>	<u>(475,000)</u>
<b>Net change in fund balance</b>	(1,507,494)	(376,459)	72,333	448,792
Fund balance, beginning of year	<u>6,041,921</u>	<u>6,041,921</u>	<u>6,041,921</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 4,534,427</u></u>	<u><u>\$ 5,665,462</u></u>	<u><u>\$ 6,114,254</u></u>	<u><u>\$ 448,792</u></u>

concluded

## PLAINWELL COMMUNITY SCHOOLS

### Nonmajor Governmental Funds

#### Special Revenue Funds

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

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

#### Debt Service Funds

*2013 Refunding Debt Service Fund* - This fund accounts for payments on the 2013 Refunding bonds issued for refunding of the *school bond loan fund*.

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

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

## PLAINWELL COMMUNITY SCHOOLS

### Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2023

	Special Revenue		Debt Service			Total
	Food Service	Student/School Activity	2013 Refunding	2017 Refunding	2022 Bonds	
<b>Assets</b>						
Cash and cash equivalents	\$ 851,264	\$ 502,755	\$ -	\$ 3,458	\$ 12,946	\$ 1,370,423
Due from other governments	29,744	-	-	-	-	29,744
Due from other funds	113,736	34,195	-	1,235	135,121	284,287
Inventory	30,080	-	-	-	-	30,080
Prepaid items	4,995	-	-	-	-	4,995
<b>Total assets</b>	<u>\$ 1,029,819</u>	<u>\$ 536,950</u>	<u>\$ -</u>	<u>\$ 4,693</u>	<u>\$ 148,067</u>	<u>1,719,529</u>
<b>Liabilities</b>						
Accounts payable	\$ 9,982	\$ 8,643	\$ -	\$ -	\$ -	18,625
Accrued liabilities	775	-	-	-	-	775
Due to other funds	50,183	18,505	-	-	-	68,688
Unearned revenue	29,435	-	-	-	-	29,435
<b>Total liabilities</b>	<u>90,375</u>	<u>27,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,523</u>
<b>Fund balances</b>						
Nonspendable	35,075	-	-	-	-	35,075
Restricted	904,369	-	-	4,693	148,067	1,057,129
Committed	-	509,802	-	-	-	509,802
<b>Total fund balances</b>	<u>939,444</u>	<u>509,802</u>	<u>-</u>	<u>4,693</u>	<u>148,067</u>	<u>1,602,006</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,029,819</u>	<u>\$ 536,950</u>	<u>\$ -</u>	<u>\$ 4,693</u>	<u>\$ 148,067</u>	<u>\$ 1,719,529</u>

## PLAINWELL COMMUNITY SCHOOLS

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2023

	Special Revenue		Debt Service			Total
	Food Service	Student/School Activity	2013 Refunding	2017 Refunding	2022 Bonds	
<b>Revenues</b>						
Local sources	\$ 389,491	\$ 494,553	\$ -	\$ 270,828	\$ 1,112,363	\$ 2,267,235
State sources	23,545	-	-	4,874	20,118	48,537
Federal sources	848,951	-	-	-	-	848,951
<b>Total revenues</b>	<u>1,261,987</u>	<u>494,553</u>	<u>-</u>	<u>275,702</u>	<u>1,132,481</u>	<u>3,164,723</u>
<b>Expenditures</b>						
Current:						
Food services	1,090,196	-	-	-	-	1,090,196
Student/school activity	-	411,188	-	-	-	411,188
Debt service:						
Principal	-	-	-	150,000	-	150,000
Interest and fiscal charges	-	-	-	27,927	674,914	702,841
<b>Total expenditures</b>	<u>1,090,196</u>	<u>411,188</u>	<u>-</u>	<u>177,927</u>	<u>674,914</u>	<u>2,354,225</u>
Revenues over (under) expenditures	<u>171,791</u>	<u>83,365</u>	<u>-</u>	<u>97,775</u>	<u>457,567</u>	<u>810,498</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	211,168	10,000	221,168
Transfers out	(45,000)	-	(211,168)	(627,500)	(319,500)	(1,203,168)
<b>Total other financing sources (uses)</b>	<u>(45,000)</u>	<u>-</u>	<u>(211,168)</u>	<u>(416,332)</u>	<u>(309,500)</u>	<u>(982,000)</u>
<b>Net change in fund balances</b>	<u>126,791</u>	<u>83,365</u>	<u>(211,168)</u>	<u>(318,557)</u>	<u>148,067</u>	<u>(171,502)</u>
Fund balances, beginning of year	<u>812,653</u>	<u>426,437</u>	<u>211,168</u>	<u>323,250</u>	<u>-</u>	<u>1,773,508</u>
<b>Fund balances, end of year</b>	<u>\$ 939,444</u>	<u>\$ 509,802</u>	<u>\$ -</u>	<u>\$ 4,693</u>	<u>\$ 148,067</u>	<u>\$ 1,602,006</u>

## PLAINWELL COMMUNITY SCHOOLS

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Food Service Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Local sources:				
Lunch sales	\$ 355,000	\$ 363,800	\$ 389,024	\$ 25,224
Other	500	467	467	-
Total local sources	355,500	364,267	389,491	25,224
State sources - State School Aid	30,000	23,651	23,545	(106)
Federal sources:				
Federal aid received through the State	450,000	664,088	770,853	106,765
USDA donated commodities	49,000	50,000	78,098	28,098
Total federal sources	499,000	714,088	848,951	134,863
<b>Total revenues</b>	884,500	1,102,006	1,261,987	159,981
<b>Expenditures</b>				
Current - food services	1,075,660	1,129,588	1,090,196	(39,392)
Revenues over (under) expenditures	(191,160)	(27,582)	171,791	199,373
<b>Other financing sources (uses)</b>				
Transfers out	(20,000)	(20,000)	(45,000)	(25,000)
<b>Net change in fund balance</b>	(211,160)	(47,582)	126,791	174,373
Fund balance, beginning of year	812,653	812,653	812,653	-
<b>Fund balance, end of year</b>	\$ 601,493	\$ 765,071	\$ 939,444	\$ 174,373



## PLAINWELL COMMUNITY SCHOOLS

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Student/School Activity Fund  
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Local sources:				
Student/school activity grants and fees	\$ 400,000	\$ 430,000	\$ 494,553	\$ 64,553
<b>Expenditures</b>				
Current - student/school activity	400,000	460,000	411,188	(48,812)
<b>Net change in fund balance</b>	-	(30,000)	83,365	113,365
Fund balance, beginning of year	426,437	426,437	426,437	-
<b>Fund balance, end of year</b>	<u>\$ 426,437</u>	<u>\$ 396,437</u>	<u>\$ 509,802</u>	<u>\$ 113,365</u>