

MONROE PUBLIC SCHOOLS
Monroe, Michigan

ANNUAL FINANCIAL REPORT
June 30, 2024

MONROE PUBLIC SCHOOLS

Table of Contents *June 30, 2024*

Independent Auditor's Report	1-3
Independent Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4-5
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance In Accordance with the Uniform Guidance	6-7
Management's Discussion and Analysis	8-15
Basic Financial Statements:	
District-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities.....	17
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Notes to Financial Statements.....	22-48
Required Supplemental Information:	
General Fund:	
Budgetary Comparison Schedule.....	49
Schedule of School District's Proportionate Share of Net Pension Liability	50
Schedule of School District's Pension Contributions.....	51
Schedule of School District's Proportionate Share of Net OPEB Liability.....	52
Schedule of School District's OPEB Contributions	53
Notes to Required Supplemental Information	54
Other Supplemental Information:	
General Fund:	
Schedule of Revenues - Budget and Actual.....	55
Schedule of Expenditures - Budget and Actual	56-59

MONROE PUBLIC SCHOOLS

Table of Contents (Continued) *June 30, 2024*

Other Supplemental Information:

Sinking Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual	60

2020 Bond Capital Projects Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual	61

Nonmajor Governmental Funds:

Combining Balance Sheet	62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	63

Food Service Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual	64

Student & School Activity Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual	65

Building and Site Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual	66

2020 Bond Debt Service Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual	67

Schedule of Technology Enhancement Millage - Budget and Actual	68
--	----

Schedule of Athletics - Budget and Actual	69
---	----

Federal Financial Assistance Programs:

Schedule of Expenditures of Federal Awards	70-75
--	-------

Notes to Schedule of Expenditures of Federal Awards	76-77
---	-------

Schedule of Findings and Questioned Costs	78
---	----

Reconciliation of Basic Financial Statements Federal Revenue with	
Schedule of Expenditures of Federal Awards	79



Independent Auditor's Report

To the Board of Education
Monroe Public Schools
Monroe, Michigan 48162

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Governmental 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 the internal controls 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 Monroe Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Monroe Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Monroe Public Schools' basic financial statements. The accompanying other supplementary information, as identified in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2024, on our consideration of Monroe Public School'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 Monroe Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Monroe Public Schools' internal control over financial reporting and compliance.

Callins Helen Raygo

Monroe, Michigan
September 16, 2024



CALKINS HEHL RAFKO

— CERTIFIED PUBLIC ACCOUNTANTS —

Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards*

To the Board of Education
Monroe Public Schools
Monroe, Michigan 48162

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Monroe Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Monroe Public School's basic financial statements, and have issued our report thereon dated September 16, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Monroe Public Schools' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monroe Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Monroe Public Schools' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

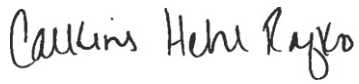
Our consideration of internal control over was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monroe Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide and opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Monroe, Michigan
September 16, 2024



CALKINS HEHL RAFKO

— CERTIFIED PUBLIC ACCOUNTANTS —

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance

To the Board of Education
Monroe Public Schools
Monroe, Michigan 48162

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Monroe Public Schools' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Monroe Public Schools' major federal programs for the year ended June 30, 2024. Monroe Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Monroe Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Monroe Public Schools and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Monroe Public Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements, laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Monroe Public Schools' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Monroe Public Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Monroe Public Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Governmental Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Monroe Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Monroe Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Monroe Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Callins Hehr Rapp

Monroe, Michigan
September 16, 2024

MONROE PUBLIC SCHOOLS

Management's Discussion and Analysis Year Ended June 30, 2024

This section of Monroe Public Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the School District's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Fund.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Monroe Public Schools financially as a whole. The ***District-Wide Financial Statements***, which include the Statement of Net Position and the Statement of Activities, provide information about the activities of the School District as a whole and presents both a short-term and a long-term view of those finances. The ***Fund Financial Statements*** provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The ***Fund Financial Statements*** report the School District's operations in more detail than the ***District-Wide Financial Statements*** by providing information about the School District's most significant funds - the General Fund, Sinking Fund, and 2020 Bond Capital Projects Fund, with all other funds presented in one column as nonmajor funds. The following summary illustrates how the various parts of this annual report are arranged:

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

Basic Financial Statements

District-Wide Financial Statements Fund Financial Statements

Notes to the Basic Financial Statements

Budgetary Information for Major Funds

Pension Schedules

OPEB Schedules

(Required Supplemental Information)

Other Supplemental Information

MONROE PUBLIC SCHOOLS

Management's Discussion and Analysis *Year Ended June 30, 2024*

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other 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.

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

Fund Financial Statements

The School District's Fund Financial Statements provide detailed information about the most significant or "major" funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The District's two types of funds, governmental and fiduciary, use different accounting approaches as described below:

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

MONROE PUBLIC SCHOOLS

Management's Discussion and Analysis Year Ended June 30, 2024

District-Wide Financial Analysis

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position as of June 30, 2024 and 2023:

Table 1

Condensed Statement of Net Position (Reported, in millions)

	Governmental Activities	
	2024	2023
Current and other assets	\$52.6	\$45.7
Capital assets	75.9	63.1
Total Assets	128.5	108.8
Deferred outflows of resources	29.7	34.1
Current and other liabilities	15.7	14.1
Long-term liabilities	140.5	148.1
Total Liabilities	156.2	162.2
Deferred inflows of resources	27.8	19.6
Net Position		
Net investment in capital assets	35.0	29.6
Restricted for technology enhancement	0.3	0.1
Restricted for capital projects	19.5	14.3
Restricted for debt service	2.0	1.9
Restricted for food service	4.4	4.1
Unrestricted (deficit)	(87.0)	(88.9)
Total Net Position	(\$25.8)	(\$38.9)

As depicted in Table 1, the School District's net position was a deficit of \$25.8 million at June 30, 2024. Of this amount, there was a negative unrestricted net position of \$87.0 million. This amount represents the *accumulated* results of all past years' operations. The operating results of the General Fund and the changes in the net pension and OPEB liabilities will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the School District as a whole are reported in the Statement of Activities (Table 2), which shows the changes in net position for the fiscal year ended June 30, 2024.

MONROE PUBLIC SCHOOLS*Management's Discussion and Analysis
Year Ended June 30, 2024***District-Wide Financial Analysis - Concluded****Table 2****Condensed Statement of Activities**
(in millions)

	Governmental Activities	
	2024	2023
Revenues		
Program revenues:		
Charges for services	\$1.0	\$0.9
Federal grants	12.5	13.5
State and local revenue	19.7	19.0
	<u>33.2</u>	<u>33.4</u>
General revenues:		
Property taxes	19.0	18.4
State foundation allowance	32.0	30.8
Other general revenues	2.0	1.3
	<u>53.0</u>	<u>50.5</u>
Total Revenues	86.2	83.9
Functions/Program Expenses		
Instruction	30.9	37.6
Support services	32.9	31.5
Community services	0.8	0.9
Food services	3.8	3.9
Interest on long-term debt	1.9	1.6
Depreciation	2.8	2.5
Total Expenses	<u>73.1</u>	<u>78.0</u>
Increase (Decrease) in Net Position	13.1	5.9
Net Position (Deficit) - Beginning of Year	<u>(38.9)</u>	<u>(44.8)</u>
Net Position (Deficit) - End of Year	<u><u>(\$25.8)</u></u>	<u><u>(\$38.9)</u></u>

As indicated in Table 2, the cost of *all governmental* activities this year was \$73.1 million. Of this amount, \$33.2 million was subsidized with revenue generated from charges for services, grants, and other contributions with the remaining costs financed with general revenues.

The School District experienced an increase in net position of \$13.1 million. A reconciliation of the change in fund balances to the change in net position appears on page 21.

MONROE PUBLIC SCHOOLS

Management's Discussion and Analysis Year Ended June 30, 2024

Fund Financial Analysis

As noted earlier, the School District uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether Monroe Public Schools is being held accountable for the resources taxpayers and others provide to it and may give more insight into the District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$37,365,558, which is an increase of \$4,138,574 from last year. The changes by major and nonmajor funds are as follows:

	<u>General Fund</u>	<u>Sinking Fund</u>	<u>2020 Bond Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund balances - Beginning of year, restated	\$12,344,692	\$4,364,680	\$9,888,366	\$6,629,246	\$33,226,984
Increase (decrease)	<u>(1,613,332)</u>	<u>261,984</u>	<u>4,989,086</u>	<u>500,836</u>	<u>4,138,574</u>
Fund balances – End of year	<u>\$10,731,360</u>	<u>\$4,626,664</u>	<u>\$14,877,452</u>	<u>\$7,130,082</u>	<u>\$37,365,558</u>

The District's General Fund balance increase is due to many factors. The tables that follow assist in illustrating the financial activities of the General Fund.

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percent Change</u>
Revenues			
Local sources	\$12,994,876	\$12,988,556	0.0%
State sources	48,783,970	46,840,947	4.1%
Federal sources	8,800,108	9,108,034	(3.4)%
Interdistrict and other sources	4,501,599	4,390,460	2.5%
Other financing sources	<u>30,000</u>	<u>30,000</u>	0.0%
	<u>\$75,110,553</u>	<u>\$73,357,997</u>	2.4%

State source revenue increased by 4.1%, or approximately \$1.9 million. This increase is due to the increase in foundation allowance and new grant funding. Federal source revenue decreased 3.4%, or approximately \$300,000. This decrease is attributable to various COVID 19 grant funding that ended in the previous fiscal year. There is an increase of 2.5%, or approximately \$111,000, of interdistrict sources, which is attributable to increased Special Education funding, ARP I Homeless Students grant, and Title I Regional Assistance Grant through MCISD.

MONROE PUBLIC SCHOOLS

Management's Discussion and Analysis Year Ended June 30, 2024

Fund Financial Analysis – Concluded

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percent Change</u>
Expenditures			
Instruction	\$37,430,948	\$37,633,704	(0.5)%
Support services	32,552,767	29,317,060	11.0%
Athletics	1,169,641	1,025,883	14.0%
Community services	892,097	964,598	(7.5)%
Interdistrict and other uses	35,067	17,630	98.9%
Facilities acquisition, construction, and improvements	4,161,636	4,642,621	(10.4)%
Debt service	485,268	978,927	(50.4)%
Prior period adjustments	<u>(3,539)</u>	<u>0</u>	100.0%
	<u>\$76,723,885</u>	<u>\$74,580,423</u>	2.9%

General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires the Board of Education to adopt the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements. The following table summarizes the original budget, final budget, and budget variances:

General Fund Original Budget versus Final Budget

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Original versus Final Budget Variance</u>
Revenues	\$73,078,143	\$79,294,621	8.5%
Expenditures	\$77,055,801	\$84,324,806	9.4%

MONROE PUBLIC SCHOOLS

Management's Discussion and Analysis *Year Ended June 30, 2024*

General Fund Budgetary Highlights – Concluded

Revisions to the General Fund original budget were as follows:

Revenues – The original budget for revenues and transfers in was \$73.1 million versus the final budget of \$79.3 million. Components of revenue and the original versus final projections are discussed below:

- The significant adjustments were the result of increases in State Aid Foundation and new state grants.

Expenditures – The original budget for expenditures and transfers out was \$77.1 million compared to the final budget of \$84.3 million. There were various reasons for this increase.

- The significant adjustments were a result of new State grants and staffing changes.

General Fund Final Budget versus Actual

	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget versus Actual Variance</u>
Revenues	\$79,294,621	\$75,110,553	(5.3%)
Expenditures	\$84,324,806	\$76,723,885	(9.0%)

Final Budget versus Actual Figures

- Revenue – The final revenue budget was estimated at \$79.3 million. The General Fund actual revenue as of June 30, 2024, was \$75.1 million. The variance between the final amended budget and actual revenue received was due to unspent grant funds at June 30, 2024. Most of the federal grants have a September 30, 2024 ending date. Therefore, the balance can be spent in the following fiscal year.

- Expenditures – The final budgeted expenditures were \$84.3 million. The actual expenditures were \$76.7 million. Expenditure variances were primarily attributed to not fully expending various grant funds. These funds will be carried forward to the 2024-2025 fiscal year. Three ESSER III facility improvement projects were fully budgeted in 2024, but only a portion of the projects were completed at June 30, 2024.

MONROE PUBLIC SCHOOLS

Management's Discussion and Analysis *Year Ended June 30, 2024*

Capital Asset and Debt Administration

Capital Assets

At June 30, 2024, the School District had \$122.3 million invested in a broad range of capital assets, including land, construction in progress, land improvements, buildings and improvements, machinery and equipment, vehicles, and intangible right-to-use assets. This amount represents a net increase (including additions and disposals) of approximately \$14.4 million from last year. This year's additions of \$18.3 million included construction in progress, land improvements, building improvements, machinery and equipment, and vehicles. Depreciation and amortization for this year totaled \$2,757,496. Detailed information regarding capital assets is included in Note 5 to the Financial Statements.

Debt

At June 30, 2024, the District had \$46,180,000 in School Building and Site Bonds. Proceeds from the Series II bond issuance totaled \$13,720,000. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the District's boundaries.

Other obligations include accrued vacation, sick, and termination pay of \$2.5 million. Detailed information about long-term liabilities is presented in Note 11 to the Financial Statements.

Development of the 2024-2025 Fiscal Year Budget

Our elected officials and administration consider many factors when setting the School District's 2024-2025 fiscal year budget. One of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2024-2025 fiscal year is 90 percent of the October 2024 and 10 percent of the February 2024 student counts. The 2024-2025 budget was adopted in June 2024.

Since the School District's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts. Once the final student count and related per pupil funding is validated, the District will amend the budget accordingly.

Contacting Monroe Public Schools Business Office

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Office, 1275 N. Macomb St., P.O. Box 733, Monroe, MI 48162.

BASIC FINANCIAL STATEMENTS

DISTRICT - WIDE FINANCIAL STATEMENTS

MONROE PUBLIC SCHOOLS

Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	\$21,815,288
Investments	18,265,315
Accounts receivable	121,763
Due from other governmental units	10,772,699
Deposits	91,388
Prepays	75,307
Capital assets less accumulated depreciation/amortization	75,863,886
Net other postemployment benefit asset	1,478,079
Total Assets	128,483,725
Deferred Outflows of Resources	
Deferred amount of pension expense	24,183,626
Deferred amount of OPEB expense	5,565,882
Total Deferred Outflows of Resources	29,749,508
Liabilities	
Accounts payable	5,431,467
Salaries payable	3,883,429
Other liabilities	2,053,722
Accrued interest payable	357,703
Unearned revenue	1,463,629
Due to other governmental units	943,955
Long-term liabilities:	
Long-term debt - due within one year	1,390,849
Lease commitments - due within one year	219,441
Long-term debt - due in more than one year	47,282,982
Unamortized premium on bond issuance	9,344,044
Net pension liability	83,854,021
Total Liabilities	156,225,242
Deferred Inflows of Resources	
Deferred amount of net pension liability	10,259,375
Deferred amount of State aid funding for pension	5,189,362
Deferred amount of net OPEB liability	12,357,657
Total Deferred Inflows of Resources	27,806,394
Net Position (Deficit)	
Invested in capital assets, net of related debt	34,997,853
Restricted for technology enhancement	274,343
Restricted for capital projects	19,546,538
Restricted for debt service	2,013,923
Restricted for food service	4,365,931
Unrestricted	(86,996,991)
Total Net Position (Deficit)	(\$25,798,403)

See accompanying notes to the basic financial statements.

MONROE PUBLIC SCHOOLS

*Statement of Activities
Year Ended June 30, 2024*

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
	Expenses	for Services	Grants and	Changes in
			Contributions	Net Position
Functions/Programs				Governmental
				Activities
Governmental Activities:				
Instruction and instructional support	\$30,924,798	\$53,011	\$10,102,400	(\$20,769,387)
Support services	32,871,690	206,239	13,967,606	(18,697,845)
Community services	804,790	332,362	4,088,420	3,615,992
Food services	3,821,718	393,305	4,056,251	627,838.00
Interest on long-term debt	1,937,067	0	0	(1,937,067)
Depreciation/amortization (unallocated)	2,757,496	0	0	(2,757,496)
Total Governmental Activities	<u>\$73,117,559</u>	<u>\$984,917</u>	<u>\$32,214,677</u>	(39,917,965)
General Revenues:				
Taxes:				
Property taxes, levied for general operations				12,150,128
Property taxes, levied for technology				1,630,745
Property taxes, levied for sinking fund				2,153,172
Property taxes, levied for debt service fund				3,119,265
State of Michigan aid, unrestricted				31,963,103
Interest income				1,246,236
Other				787,732
		Total General Revenues		<u>53,050,381</u>
Change in Net Position				13,132,416
Net Position (Deficit) - Beginning of year				<u>(38,930,819)</u>
Net Position (Deficit) - End of year				<u>(\$25,798,403)</u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

MONROE PUBLIC SCHOOLS

Governmental Funds Balance Sheet June 30, 2024

	General	Sinking Fund	2020 Bond Capital Projects Fund	Other Nonmajor Governmental Funds	Totals
Assets					
Cash and cash equivalents	\$10,298,900	\$4,755,540	\$9,996	\$6,750,852	\$21,815,288
Investments	0	0	18,265,315	0	18,265,315
Receivables:					
Accounts	53,767	7,349	0	60,647	121,763
Due from other governmental units	10,213,323	0	0	559,376	10,772,699
Deposits	91,388	0	0	0	91,388
Prepaid expenditures	75,047	0	0	260	75,307
Total Assets	<u>\$20,732,425</u>	<u>\$4,762,889</u>	<u>\$18,275,311</u>	<u>\$7,371,135</u>	<u>\$51,141,760</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$1,693,931	\$136,225	\$3,397,859	\$203,452	\$5,431,467
Salaries payable	3,883,251	0	0	178	3,883,429
Due to other governmental units	941,405	0	0	2,550	943,955
Other liabilities	2,053,708	0	0	14	2,053,722
Unearned revenue	1,428,770	0	0	34,859	1,463,629
Total Liabilities	<u>10,001,065</u>	<u>136,225</u>	<u>3,397,859</u>	<u>241,053</u>	<u>13,776,202</u>
Fund Balances					
Nonspendable:					
Prepaid expenditures	75,047	0	0	260	75,307
Restricted for:					
Technology enhancement	274,343	0	0	0	274,343
Capital projects	0	4,626,664	14,877,452	0	19,504,116
Debt service	0	0	0	2,368,888	2,368,888
Food service	0	0	0	4,365,671	4,365,671
Committed to:					
Student and school activities	0	0	0	352,841	352,841
Assigned to:					
Trojan Build Homes	250,000	0	0	0	250,000
CTE Capital Projects	101,760	0	0	0	101,760
Termination pay	161,125	0	0	0	161,125
High School pool renovations	0	0	0	35,000	35,000
Capital projects	0	0	0	7,422	7,422
Unassigned	9,869,085	0	0	0	9,869,085
Total Fund Balances	<u>10,731,360</u>	<u>4,626,664</u>	<u>14,877,452</u>	<u>7,130,082</u>	<u>37,365,558</u>
Total Liabilities and Fund Balance	<u>\$20,732,425</u>	<u>\$4,762,889</u>	<u>\$18,275,311</u>	<u>\$7,371,135</u>	<u>\$51,141,760</u>

See accompanying notes to the basic financial statements.

MONROE PUBLIC SCHOOLS*Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024*

Total Fund Balances - Governmental Funds		\$37,365,558
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of the capital and leased assets	\$122,284,620	
Accumulated depreciation/amortization	<u>(46,420,734)</u>	75,863,886
Deferred outflows of resources from subsequent pension expense from measurement date		10,172,429
Deferred outflows of resources from subsequent OPEB expense from measurement date		1,935,597
Deferred outflows of resources related to pension investment returns, changes in assumptions and changes in experience		14,011,197
Deferred outflows of resources related to OPEB investment returns, changes in assumptions and changes in experience		3,630,285
Deferred inflows of resources resulting from net pension liability		(10,259,375)
Deferred inflows of resources resulting from net OPEB liability		(12,357,657)
Deferred inflow for State aid funding for pension		(5,189,362)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability	(83,854,021)	
Net OPEB asset	1,478,079	
Accrued interest	(357,703)	
Bonds payable	(46,180,000)	
Unamortized premium on bond issuance	(9,344,044)	
Lease commitments	(219,441)	
Compensated absences	<u>(2,493,831)</u>	<u>(140,970,961)</u>
Total Net Position - Governmental Activities		<u>(\$25,798,403)</u>

See accompanying notes to the basic financial statements.

MONROE PUBLIC SCHOOLS

*Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2024*

	General	Sinking Fund	2020 Bond Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources	\$12,994,876	\$2,252,250	\$927,830	\$4,098,379	\$20,273,335
State sources	48,783,970	59,942	0	347,692	49,191,604
Federal sources	8,800,108	0	0	3,708,559	12,508,667
Interdistrict and other sources	4,501,599	0	0	0	4,501,599
Total Revenues	75,080,553	2,312,192	927,830	8,154,630	86,475,205
Expenditures					
Instruction	37,430,948	0	0	0	37,430,948
Support services	32,552,767	0	0	4,616,558	37,169,325
Athletics	1,169,641	0	0	0	1,169,641
Community services	892,097	0	0	0	892,097
Interdistrict and other uses	35,067	0	0	0	35,067
Facilities acquisition, construction, and improvement	4,161,636	0	0	0	4,161,636
Prior period adjustments	(3,539)	0	0	0	(3,539)
Debt service	485,268	0	0	3,007,236	3,492,504
Capital outlay	0	2,050,208	9,896,659	0	11,946,867
Total Expenditures	76,723,885	2,050,208	9,896,659	7,623,794	96,294,546
Excess (Deficiency) of Revenue Over Expenditures	(1,643,332)	261,984	(8,968,829)	530,836	(9,819,341)
Other Financing Sources (Uses)					
Proceeds from bond issuance	0	0	13,720,000	0	13,720,000
Bond premium	0	0	237,915	0	237,915
Operating transfers in	30,000	0	0	0	30,000
Operating transfers out	0	0	0	(30,000)	(30,000)
Total Other Financing Sources (Uses)	30,000	0	13,957,915	(30,000)	13,957,915
Net Change in Fund Balances	(1,613,332)	261,984	4,989,086	500,836	4,138,574
Fund Balances - Beginning of year	12,344,692	4,364,680	9,888,366	6,629,246	33,226,984
Fund Balances - End of year	\$10,731,360	\$4,626,664	\$14,877,452	\$7,130,082	\$37,365,558

See accompanying notes to the basic financial statements.

MONROE PUBLIC SCHOOLS

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

Net Change in Fund Balances - Total Governmental Funds	\$4,138,574
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense:	
Depreciation/amortization expense	(\$2,757,496)
Capital outlay	<u>15,730,348</u>
	12,972,852
Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.	(90,443)
Repayments of long-term debt and borrowing of long-term debt is expenditures and other financing sources in the governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:	
Bond and principal note reduction	1,085,000
Lease commitment reduction	460,109
Proceeds from bond issuance	(13,720,000)
Change in bond premiums	(137,144)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows of resources related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in pension liability	14,286,504
Net change in the deferred inflows of resources related to the net pension liability	(8,300,108)
Net change between actual pension contributions and the cost of benefits earned, net of employer contributions.	(2,472,075)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows of resources related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in OPEB asset	6,960,076
Net change in the deferred inflows of resources related to the net OPEB asset	115,172
Net change between actual OPEB contributions and the cost of benefits earned, net of employer contributions.	(1,858,890)
Revenues from the sale of assets that are still being depreciated as a capital asset in the statement of activities are reported in the governmental funds, but not in the statement of activities.	(406,552)
Gain from the sale of assets that are still being depreciated as a capital asset in the statement of activities is reported in the governmental funds, but not in the statement of activities.	181,322
Increases in the liability for compensated absences are reported as an expenditure in the statement of activities, but not in the governmental funds.	<u>(81,981)</u>
Change in Net Position of Governmental Activities	<u>\$13,132,416</u>

See accompanying notes to the basic financial statements.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 1 **Description of the School District and Reporting Entity**

The School District operates under a locally elected seven member board form of government and provides educational and supportive services as mandated by the State of Michigan and/or federal agencies. This Board of Education controls the School District's instructional and support facilities.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Monroe Public Schools, this includes general operations, athletics, food service, debt, sinking, capital projects, building and site, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt, or the levying of taxes. The School District has no component units.

Note 2 **Summary of Significant Accounting Policies**

The financial statements of Monroe Public Schools have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the School District's accounting policies.

Basis of Presentation

A. District-Wide and Fund Financial Statements

The district-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. As a general rule, the effect of interfund activity has been eliminated from the district-wide statements. All of the School District's district-wide activities are considered to be governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, and other items not properly included among program revenues.

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

District-Wide Statements - The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 2 **Summary of Significant Accounting Policies (Continued)**
Basis of Presentation (Concluded)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The School District reports the following major governmental funds:

The General Fund is the School District's primary operating fund. The General Fund accounts for all financial resources of the School District, except those required to be accounted for in another fund.

The Sinking Fund accounts for property taxes levied for major capital improvements.

The 2020 Bond Capital Projects Fund is used to account for money or other resources related to various projects funded through the issuance of bonds.

The School District reports the following nonmajor governmental funds:

The Food Service Fund, the Student and School Activity Fund, the Building and Site Fund, and the 2020 Debt Service Fund are the School District's nonmajor governmental funds. These funds are used to account for specific revenue sources that are restricted for a particular purpose.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

During the fiscal year ended June 30, 2024, investments were limited to cash management funds. The cash management funds are local investment pools held at the Michigan Liquid Asset Fund (MILAF). Investments within MILAF consisted of cash management and Max Class funds. Local government investment pools allow districts within the State of Michigan to consolidate their funds for investment purposes. Investments are stated at fair value except for investments in MILAF. MILAF Max Class funds are considered external investment pools as defined by the GASB and, as such, are recorded at amortized cost which approximates fair value.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 2 **Summary of Significant Accounting Policies (Continued)**

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity **(Continued)**

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. Taxes are considered delinquent February 15 of the following year. A portion of property taxes assessed are received by the School District from the State of Michigan in the form of a Foundation Allowance. The Foundation Allowance represents the difference between an amount guaranteed by the state and the per pupil tax revenue generated from an 18 mill levy (subject to Headlee rollback) on all non-homestead property. To meet the district per pupil guarantee, the state levies 6 mills on all taxable property on a statewide basis.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory - Inventories are valued at the lower of cost or net realizable value, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. United States Department of Agriculture commodities inventory received by the Food Service Fund are recorded as expenditures when received.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvement	20 years
Buildings and building improvements	50 years
Machinery and equipment	5-20 years
Vehicles	8 years

Subscription Based Information Technology Arrangements – Subscription Based Information Technology Arrangements (SBITAs) are required to be recognized as a subscription liability and right-to-use SBITA asset for arrangements that meet the definition of a SBITA under GASB 96. The initial subscription liability is measured at the present value of the subscription payments expected to be made during the subscription term. Right-to-use SBITA assets are initially measured at the amount equal to the initial measurement of the SBITA liability plus any SBITA payments made prior to the SBITA term, less incentives, and adding any ancillary charges necessary to place the SBITA into service. The School District did not have any material SBITAs that required recognition for the year ended June 30, 2024.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 2

Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “due to/due from.” These amounts are eliminated in the governmental activities column of the statement of net position.

Compensated Absences - Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year-end, taking into consideration any limits specified in the School District’s employment contracts.

The entire compensated absence liability is reported on the district-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “other liabilities” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, the noncurrent portion of leases, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans are recognized as an expenditure on the governmental fund financial statements when due.

Unavailable/Unearned Revenue - Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned.

Deferred Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The School District has items that qualify for reporting in this category. They are pension and other post-employment benefits (OPEB) related items reported in the government-wide statement of net position. Deferred outflows are recognized for pension and OPEB related items. These items are expensed in the plan year in which they apply.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 2

Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Concluded)

Deferred Inflows of Resources - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The district reports items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting. Unavailable revenue is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenue from receipts that are received after 60 days of year end. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available. The second is future resources yet to be recognized in relation to the pension and OPEB actuarial calculation. These future resources arise from the differences in the estimates used by the actuary to calculate the pension and OPEB liability and the actual results. The amounts are amortized over a period determined by the actuary. The third is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period.

Net Position - Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The components of net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net position is unrestricted when other net position does not meet the definition of net investment in capital assets or is restricted and is available for general use. Restricted resources should be used first, followed by unrestricted amounts.

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

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Non-spendable, Restricted, Committed, Assigned, and Unassigned – The fund balance is categorized as non-spendable, restricted, committed, assigned, or unassigned based on the relative strength of the spending constraints. The School Board has the authority to place funds under the committed and assigned categories. Restricted resources should be used first, followed by committed funds, assigned amounts, and then unassigned amounts. The School Board desired to maintain, in stable economic times, a fund balance of at least 7% of the District General Fund annual operating expenditures.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements *Year Ended June 30, 2024*

Note 2 **Summary of Significant Accounting Policies (Concluded)**

- D. Estimates** - The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.
- E. Extraordinary and Special Items** - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2024.
- F. Budgetary Policies** - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and the Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the function level. Any budgetary modifications may only be made by resolution of the Board of Education.
- The School District follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.
1. Prior to June 30, the Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1.
 2. A public hearing is conducted during June to obtain taxpayer comments.
 3. Prior to June 30, the budget is legally enacted through passage of a resolution.
 4. During the year the budget is monitored, and amendments to the budget resolution are made when deemed necessary.
 5. Lapsing of Appropriations - At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.
- G. Reclassifications** - Certain prior year amounts have been reclassified to conform with current year presentation.
- H. Economic Dependency** – The School District receives approximately 57% of the General Fund revenue from the State of Michigan. Due to the significance of this revenue source to the School District, the School District is considered economically dependent.
- I. Subsequent Events** – The School District’s management evaluated subsequent events from June 30, 2024 through September 16, 2024, the date the financial statements were available to be issued.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements Year Ended June 30, 2024

Note 3 **Stewardship, Accountability and Compliance**

The School District shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State law for the General and Special Revenue Funds.

In the required supplemental information, the School District's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

Note 4 **Deposits and Investments**

State statutes and the School District's investment policy authorized the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

As of June 30, 2024, the School District's deposits and investments are all on deposit with First Merchants Bank, PNC Bank, Fifth Third Bank, and the Michigan Liquid Asset Fund Plus (MILAF).

The Michigan Liquid Asset Fund (MILAF) has no limitations or restrictions on participant withdrawals for the investment pools, which are recorded at amortized cost in accordance with GASB Statement No. 79, except for a 14 day minimum investment period for investments in MILAF MAX Class.

The MILAF Cash Management and MAX Class Funds are not measured at fair value, and consequently, are not subject to the fair value disclosures.

As of June 30, 2024, the School District measured its investments as follows:

Investment	Not Measured at Fair Value	Fair Value	Weighted Average Maturity (Days)	Standard & Poors Rating	Percentage
MILAF Cash Management Funds	\$2,695,489	\$0	n/a	AAAm	14.8%
MILAF MAX Class	1,730,466	0	n/a	AAAm	9.4%
MILAF Managed Account	13,839,360	0	n/a	AAAm	75.8%
Total	<u>\$18,265,315</u>	<u>\$0</u>			<u>100.0%</u>

Fair Value Measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is also established, which requires an entity to maximize the use of observable and minimize the use of unobservable inputs.

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

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 4 **Deposits and Investments (Concluded)**

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

Level 3: Prices determined using significant unobservable inputs. Unobservable inputs may be used in situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period). Unobservable inputs reflect the organization's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

All of the School District's investments are not measured at fair value and, consequently, are not subject to the fair value disclosures.

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

Interest rate risk. In accordance with the School District's policy, the School District will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in short-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the School District's cash requirements.

Credit risk. State law limits investments commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2024, the School District did not have any investments that have this type of risk.

Concentration of credit risk. The School District will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to the School District. The School District has \$24,084,958 invested in certificates of deposit, checking accounts, and money markets. The School District's deposits are insured by the FDIC in the amount of \$755,143. Uninsured deposits are \$23,329,815.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the School 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 School District did not have outstanding investments of this nature at June 30, 2024. The School District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the School District will do business.

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

MONROE PUBLIC SCHOOLS

Notes to Financial Statements *Year Ended June 30, 2024*

Note 5

Capital and Leased Assets

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Non-depreciable capital assets				
Land	\$573,742	\$0	\$3,655	\$570,087
Construction in progress	39,185,713	13,879,404	2,534,752	50,530,365
Total non-depreciable capital assets	39,759,455	13,879,404	2,538,407	51,100,452
Depreciable capital assets				
Land improvements	9,973,573	50,235	0	10,023,808
Buildings and building improvements	43,762,285	3,482,866	248,072	46,997,079
Machinery and equipment	7,607,358	825,858	67,186	8,366,030
Vehicles	5,200,249	26,738	1,012,614	4,214,373
Total depreciable capital assets	66,543,465	4,385,697	1,327,872	69,601,290
Total capital assets	106,302,920	18,265,101	3,866,279	120,701,742
Less accumulated depreciation:				
Land improvements	(5,322,029)	(426,676)	0	(5,748,705)
Buildings and building improvements	(28,417,722)	(1,297,010)	(7,442)	(29,707,290)
Machinery and equipment	(5,643,759)	(370,076)	(67,186)	(5,946,649)
Vehicles	(4,476,004)	(208,723)	(1,031,668)	(3,653,059)
Total accumulated depreciation	(43,859,514)	(2,302,485)	(1,106,296)	(45,055,703)
Net capital assets	62,443,406	15,962,616	2,759,983	75,646,039
Intangible right-to-use leased assets being amortized				
Leased equipment	1,582,878	0	0	1,582,878
Less accumulated amortization	(910,020)	(455,011)	0	(1,365,031)
Net intangible right-to-use leased assets	672,858	(455,011)	0	217,847
Total capital and leased assets, net	\$63,116,264	\$15,507,605	\$2,759,983	\$75,863,886

Depreciation/amortization expense was charged to governmental functions as an unallocated expense.

Note 6

Interfund Transfers

Interfund transfers at June 30, 2024, consisted of the following:

Transfers In:	Transfers Out: Food Service Fund
General Fund	\$30,000

The transfer from Food Service to the General Fund represents monies collected in one fund and supported administratively by another fund.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements *Year Ended June 30, 2024*

Note 7

Unearned Revenue

Governmental funds and governmental activities defer revenue recognition in connection with resources that have been received but not earned. At the end of the current fiscal year, the various components of unearned revenue are as follows:

	<u>Unearned Revenue</u>
General Fund:	
Section 31a Mental Health Supports	\$220,798
Section 97 Security	1,391
Section 97d Critical Incident Mapping	27,268
Section 97j Early Warning and Intervention	19,686
Section 99h Robotics	1,451
At Risk	106,416
Early Literacy Targeted Instruction	28,906
Section 41 Bilingual Education	24,167
Section 67f FAFSA Completion Challenge	12,690
Pay to Participate Fees	1,205
Section 35j Early Literacy Professional Development	301,128
Section 23g MI Kids Back on Track	652,131
Section 27k Student Loan Repayment Program	28,673
COBRA Payment	2,860
Food Service Fund:	
Supply Chain Assistance Funds	29,054
Prepaid student balances	5,805
	<u>\$1,463,629</u>

Note 8

Defined Benefit Pension Plans and Postemployment Benefits

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

The System's 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, and Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

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

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 8 **Defined Benefit Pension Plans and Postemployment Benefits (Continued)**

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

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

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

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

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

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

Required contributions to the pension plan from the School District were \$9,337,533 for the year ended September 30, 2023.

MONROE PUBLIC SCHOOLS

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 8 Defined Benefit Pension Plans and Postemployment Benefits (Continued)
Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities - At June 30, 2024, the School District reported a liability of \$83,854,021 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled-forward from September 2022. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2023, the School District's proportion was 0.25908005 percent, which was a decrease of .001871 percent from its proportion measured as of September 30, 2022.

For the year ended June 30, 2024, the School District recognized pension expense of \$9,260,993. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between actual and expected experience	\$2,647,016	(\$128,451)
Changes of assumptions	11,362,601	(6,551,418)
Net differences between projected and actual earnings on pension plan investments	0	(1,715,925)
Changes in proportion and differences between school district contributions and proportionate share of contributions	1,580	(1,863,581)
School district's contributions subsequent to the measurement date	<u>10,172,429</u>	<u>0</u>
	<u>\$24,183,626</u>	<u>(\$10,259,375)</u>

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

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

	<u>Amount</u>
2024	\$1,044,046
2025	629,790
2026	3,355,703
2027	<u>(1,277,717)</u>
	<u>\$3,751,822</u>

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 8 **Defined Benefit Pension Plans and Postemployment Benefits (Continued)**

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date: September 30, 2022

Actuarial Cost Method: Entry Age, Normal

Wage Inflation Rate: 2.75%

Investment Rate of Return:

- MIP and Basic Plans 6.00%, net of investment expenses
- Pension Plus Plan 6.00%, net of investment expenses
- Pension Plus 2 Plan 6.00%, net of investment expenses

Projected Salary Increases: 2.75 – 11.55%, including wage inflation at 2.75%

Cost-of-Living Pension

Adjustments: 3% Annual Non-Compounded for MIP Members

Mortality:

- Retirees PubT-2010 Male and Female Retiree Mortality Tables scaled by
116% for males and 116% for females and adjusted for mortality
improvements using projection scale MP-2021 from 2010.
- Active Members PubT-2010 Male and Female Employee Mortality Tables scaled
100% and adjusted for mortality improvements using projection scale
MP-2021 from 2010.

Notes:

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

MONROE PUBLIC SCHOOLS

Notes to Financial Statements *Year Ended June 30, 2024*

Note 8 **Defined Benefit Pension Plans and Postemployment Benefits (Continued)**

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.00%	5.8%
Private Equity Pools	16.00	9.6
International Equity Pools	15.00	6.8
Fixed Income Pools	13.00	1.3
Real Estate and Infrastructure Pools	10.00	6.4
Absolute Return Pools	9.00	4.8
Real Return/Opportunistic Pools	10.00	7.3
Short-term Investment Pools	2.00	0.3
	<u>100.00%</u>	

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

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

Discount rate - A discount rate of 6.00% was used to measure the total pension liability (6.00% for Pension Plus plan, 6.0% for the Pension Plus 2 plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 8 Defined Benefit Pension Plans and Postemployment Benefits (Concluded)

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate - The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1% Decrease (5.0%)	Current Single Discount Rate Assumption (6.0%)	1% Increase (7.0%)
<u>\$113,286,536</u>	<u>\$83,854,021</u>	<u>\$59,350,387</u>

*Discount rates listed in the following order: Basic and Member
Investment Plan (MIP), Pension Plus, and Pension Plus 2.

MPSERS Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS ACFR, available on the ORS website at michigan.gov/orsschools.

Payable to the Pension Plan - At June 30, 2024, the School District owed \$1,711,887 related to required pension plan payments. Amounts accrued at year end for accounting purposes are reported in the financial statements as accrued expenses. These amounts represent current payments for June paid in July, accruals for summer pay (primarily for teachers), and contributions due funded from state aid revenue section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization rate contributions.

Note 9 Postemployment Benefits Other Than Pensions (OPEB)

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

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

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

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

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 9 **Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

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.

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

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

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

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 9 Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Contributions (Concluded) - The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2023.

OPEB Contribution Rates

<u>Benefit Structure</u>	<u>Member</u>	<u>Employer</u>
Premium Subsidy	3.00%	8.07%
Personal Healthcare Fund (PHF)	0.00%	7.21%

Required contributions to the OPEB plan from School District were \$2,035,390 for the year ended September 30, 2023.

OPEB (Asset)/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2024, the School District reported an asset of \$1,478,079 for its proportionate share of the MPSERS net OPEB (asset)/liability. The net OPEB (asset)/liability was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation rolled forward from September 2022. The School District's proportion of the net OPEB (asset)/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, 2023, the School District's proportion was 0.26128397 percent, which was an increase of .0024627 percent from its proportion measured as of October 1, 2022.

For the year ending June 30, 2024, the School District recognized OPEB income of \$2,995,299. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between actual and expected experience	\$0	(\$11,169,126)
Changes of assumptions	3,290,462	(396,234)
Net differences between projected and actual earnings on OPEB plan investments	4,507	0
Changes in proportion and differences between school district contributions and proportionate share of contributions	335,316	(792,297)
School district's contributions subsequent to the measurement date	<u>1,935,597</u>	<u>0</u>
	<u>\$5,565,882</u>	<u>(\$12,357,657)</u>

MONROE PUBLIC SCHOOLS

Notes to Financial Statements Year Ended June 30, 2024

Note 9 **Postemployment Benefits Other Than Pensions (OPEB) (Continued)**
OPEB (Asset)/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Concluded) - Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB (asset)/liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

	Amount
2024	(\$2,890,440)
2025	(2,585,748)
2026	(1,163,398)
2027	(994,361)
2028	(727,159)
Thereafter	(366,266)
	<u>(\$8,727,372)</u>

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date: September 30, 2022

Actuarial Cost Method: Entry Age, Normal

Wage Inflation Rate: 2.75%

Investment Rate of Return: 6.00%, net of investment expenses

Projected Salary Increases: 2.75 – 11.55%, including wage inflation at 2.75%

Health Cost Trend Rate: Pre-65: 7.50% Year 1 graded to 3.5% Year 15
Post-65: 6.25% Year 1 graded to 3.5% Year 15

Mortality:

- Retirees PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
- Active Members PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 9 Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Actuarial Assumptions (Concluded)

Summary of Actuarial Assumptions

Other Assumptions:

Opt Out Assumptions 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.

Survivor Coverage 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.

Coverage Election at Retirement 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Notes:

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.00%	5.8%
Private Equity Pools	16.00	9.6
International Equity Pools	15.00	6.8
Fixed Income Pools	13.00	1.3
Real Estate and Infrastructure Pools	10.00	6.4
Absolute Return Pools	9.00	4.8
Real Return/Opportunistic Pools	10.00	7.3
Short-term Investment Pools	2.00	0.3
	100.00%	

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

MONROE PUBLIC SCHOOLS

Notes to Financial Statements Year Ended June 30, 2024

Note 9 Postemployment Benefits Other Than Pensions (OPEB) (Concluded)

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

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

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

1% Decrease	Current Discount Rate	1% Increase
5.00%	6.00%	7.00%
<u>\$1,532,325</u>	<u>(\$1,478,079)</u>	<u>(\$4,065,226)</u>

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
<u>(\$4,071,676)</u>	<u>(\$1,478,079)</u>	<u>\$1,329,043</u>

OPEB Plan Fiduciary Net Position - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2023 MPSERS ACFR, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan - At June 30, 2024, the School District owed \$362,115 related to required OPEB plan payments. Amounts accrued at year end for accounting purposes are reported in the financial statements as accrued expenses. These amounts represent current payments for June paid in July and accruals for summer pay (primarily for teachers).

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 10 **Enhancement Millage for Technology**

Voters of Monroe County passed an enhancement millage based on the taxable value of all property in the Monroe County Intermediate School District. The technology millage was renewed on May 4, 2021, at 0.9866 mill for an additional five years, 2021 to 2026. The intermediate school district will distribute the tax collections to the local public school districts based on pupil membership count. The tax millage received by the local school districts will be used for technology enhancements and related expenses.

Note 11 **Long-Term Debt**

Following is a summary of changes in long-term debt:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due In One Year
General Obligation Bonds:					
2020 School Building and Site Bonds Series I	\$33,545,000	\$0	\$735,000	\$32,810,000	\$855,000
Premium on bonds	9,206,900	0	99,350	9,107,550	143,640
2023 School Building and Site Bonds Series II	0	13,720,000	350,000	13,370,000	450,000
Premium on bonds	0	237,915	1,421	236,494	5,625
Total bonds payable	42,751,900	13,957,915	1,185,771	55,524,044	1,454,265
Other Liabilities:					
Compensated absences	2,411,850	81,981	0	2,493,831	85,849
Total Long-Term Debt	<u>\$45,163,750</u>	<u>\$14,039,896</u>	<u>\$1,185,771</u>	<u>\$58,017,875</u>	<u>\$1,540,114</u>

General Obligation Bonds

The following schedule shows outstanding general obligation bonds outstanding as of June 30, 2024:

2020 School Building and Site Bonds, \$36,045,000, due in installments of \$735,000 to \$1,500,000 through May 1, 2050, with an interest rate ranging from 2.0% to 5.0%. Purpose of issue: building and site improvements.

2023 School Building and Site Bonds, \$13,720,000, due in installments of \$350,000 to \$690,000 through May 1, 2050, with an interest rate ranging from 4.375% to 4.5%. Purpose of issue: building and site improvements.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements Year Ended June 30, 2024

Note 11 **Long-Term Debt (Continued)**

General Obligation Bonds

On September 9, 2021, the District issued bonds in the amount of \$36,045,000 for the purpose of building and site improvements to the School District's school buildings. The bonds were a full faith and credit unlimited tax general obligation of the School District and the principal and interest and any premium thereon will be payable from the proceeds of ad valorem taxes levied on all taxable property within the School District. The interest rates on the 2021 School Building and Site Bonds varies between 2.0% to 5.0%.

Annual principal and interest requirements to maturity for the above bonds payable obligation are as follows:

Fiscal Year	Interest Requirements		Bond Maturities	Total
	November 1	May 1	May 1	
2025	\$770,775	\$770,775	\$855,000	\$2,396,550
2026	753,675	753,675	855,000	2,362,350
2027	736,575	736,575	865,000	2,338,150
2028	719,275	719,275	900,000	2,338,550
2029	701,275	701,275	940,000	2,342,550
2030	682,475	682,475	980,000	2,344,950
2031	662,875	662,875	985,000	2,310,750
2032	638,250	638,250	1,035,000	2,311,500
2033	612,375	612,375	1,090,000	2,314,750
2034	585,125	585,125	1,145,000	2,315,250
2035	556,500	556,500	1,205,000	2,318,000
2036	526,375	526,375	1,265,000	2,317,750
2037	494,750	494,750	1,330,000	2,319,500
2038	461,500	461,500	1,400,000	2,323,000
2039	426,500	426,500	1,470,000	2,323,000
2040	389,750	389,750	1,495,000	2,274,500
2041	352,375	352,375	1,495,000	2,199,750
2042	315,000	315,000	1,500,000	2,130,000
2043	300,000	300,000	1,500,000	2,100,000
2044	262,500	262,500	1,500,000	2,025,000
2045	225,000	225,000	1,500,000	1,950,000
2046	187,500	187,500	1,500,000	1,875,000
2047	150,000	150,000	1,500,000	1,800,000
2048	112,500	112,500	1,500,000	1,725,000
2049	75,000	75,000	1,500,000	1,650,000
2050	37,500	37,500	1,500,000	1,575,000
	<u>\$11,735,425</u>	<u>\$11,735,425</u>	<u>\$32,810,000</u>	<u>\$56,280,850</u>

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 11 Long-Term Debt (Continued)

General Obligation Bonds

On September 12, 2023, the District issued bonds in the amount of \$13,720,000 for the purpose of building and site improvements to the School District's school buildings. The bonds were a full faith and credit unlimited tax general obligation of the School District and the principal and interest and any premium thereon will be payable from the proceeds of ad valorem taxes levied on all taxable property within the School District. The interest rates on the 2023 School Building and Site Bonds varies between 4.375% to 4.5%.

Annual principal and interest requirements to maturity for the above bonds payable obligation are as follows:

Fiscal Year	Interest Requirements		Bond Maturities	Total
	November 1	May 1	May 1	
2025	\$ 294,419	\$ 294,419	\$ 450,000	\$1,038,838
2026	284,575	284,575	520,000	1,089,150
2027	273,200	273,200	580,000	1,126,400
2028	260,512	260,512	630,000	1,151,024
2029	246,731	246,731	320,000	813,462
2030	239,731	239,731	380,000	859,462
2031	231,419	231,419	490,000	952,838
2032	220,700	220,700	565,000	1,006,400
2033	208,341	208,341	370,000	786,682
2034	200,247	200,247	425,000	825,494
2035	190,950	190,950	445,000	826,900
2036	181,215	181,215	455,000	817,430
2037	171,263	171,263	465,000	807,526
2038	161,091	161,091	475,000	797,182
2039	150,700	150,700	485,000	786,400
2040	140,091	140,091	495,000	775,182
2041	129,262	129,262	510,000	768,524
2042	118,106	118,106	525,000	761,212
2043	106,622	106,622	540,000	753,244
2044	94,809	94,809	555,000	744,618
2045	82,669	82,669	570,000	735,338
2046	70,200	70,200	585,000	725,400
2047	57,038	57,038	600,000	714,076
2048	43,538	43,538	615,000	702,076
2049	29,700	29,700	630,000	689,400
2050	15,525	15,525	690,000	721,050
	<u>\$4,202,654</u>	<u>\$4,202,654</u>	<u>\$13,370,000</u>	<u>\$21,775,308</u>

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 11 Long-Term Debt (Concluded)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above general obligation bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$1,305,000	\$2,130,388	\$3,435,388
2026	1,375,000	2,076,500	3,451,500
2027	1,445,000	2,019,550	3,464,550
2028	1,530,000	1,959,574	3,489,574
2029	1,260,000	1,896,012	3,156,012
2030-2034	7,465,000	8,563,076	16,028,076
2035-2039	8,995,000	6,641,688	15,636,688
2040-2044	10,115,000	4,417,030	14,532,030
2045-2049	10,500,000	2,066,290	12,566,290
2050	2,190,000	106,050	2,296,050
	<u>\$46,180,000</u>	<u>\$31,876,158</u>	<u>\$78,056,158</u>

Note 12 Lease Commitments

Following is a summary of changes in long-term debt:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2024</u>	<u>Due In</u>
					<u>One Year</u>
American Capital lease	\$435,645	\$0	\$216,204	\$219,441	\$219,441
UTEC lease	243,905	0	243,905	0	0
Total leases payable	<u>\$679,550</u>	<u>\$0</u>	<u>\$460,109</u>	<u>\$219,441</u>	<u>\$219,441</u>

On September 1, 2021, the District entered into a lease agreement for technology equipment with American Capital for a term of 48 months, at an annual payment of \$222,727, with an interest rate of 1.49 percent.

The School District leases a variety of copiers and printers from UTEC for a term of 60 months. The minimum semi-annual payment is \$124,566, plus additional charges for excess usage. For purposes of discounting future payments on the lease, the District used an interest rate of 2.85 percent. The total amount paid during the 2024 fiscal year, including excess usage charges, was \$252,278. The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note 5.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements
Year Ended June 30, 2024

Note 12 **Lease Commitments (Concluded)**

Minimum lease payments over the next year include:

<u>Fiscal Year</u>	<u>2021 American Capital</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$219,441</u>	<u>\$3,286</u>	<u>\$222,727</u>

Note 13 **Property Taxes**

Property taxes are recorded as revenue when levied and received by the various governmental units that collect the District's taxes. The School District's 2023 property taxes were levied on December 1, 2023 on assessed valuations as of December 31, 2022. Taxes were collected beginning December 1, 2023, and payments were due by February 14, 2024. Taxable values are based on a percentage of the fair market value of the assessed property.

The following is a summary of the 2023 property tax levy:

	<u>Taxable Value</u>	<u>Mills Levied</u>	<u>Taxes Levied</u>
General Fund:			
Non-Homestead	\$665,487,531	18.0000	\$11,978,776
Commercial Personal Property	42,099,515	6.0000	252,597
Sinking Fund	2,061,160,357	1.0000	2,061,160
Debt Service Fund	2,061,160,357	1.5000	3,091,741
Total			<u>\$17,384,274</u>

Note 14 **Tax Abatement**

Municipalities within the School District's boundaries entered into property tax abatement agreements with local business under three programs: The Plant and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, the New Personal Property Exemption, PA 328 of 1998, as amended, and through payments in lieu of taxes (PILOTS). An Industrial Facilities Tax Exemption (IFT) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. The IFT on new plant and new industrial property is computed at 50 percent of the taxes levied. The municipalities can elect to freeze the taxable values for rehabilitation properties. The New Personal Property Exemption affords a 100% tax exemption for specific businesses located within eligible distressed communities.

For the year ended June 30, 2024, the School District's property tax revenue for general obligations was reduced by \$550,430 under these programs. There were no tax abatements made by the School District. The abatements issued by other governmental units are as follows:

<u>Governmental Unit</u>	<u>IFT</u>	<u>PILOTS</u>	<u>Total</u>
Monroe Charter Township	\$10,781	\$0	\$10,781
Monroe City	64,586	475,063	539,649
	<u>\$75,367</u>	<u>\$475,063</u>	<u>\$550,430</u>

MONROE PUBLIC SCHOOLS

Notes to Financial Statements *Year Ended June 30, 2024*

Note 15 **Michigan Unemployment Tax**

The District is liable to the State for unemployment claims against the School District on a reimbursement basis. For the year ended June 30, 2024, the School District incurred claims of \$4,988 based on the fiscal year 2024.

Note 16 **Cafeteria Contract**

During the fiscal year ended June 30, 2024, the School District contracted with Sodexo Management, Inc. to cover all cafeterias within the School District. Pursuant to this agreement, Sodexo Management, Inc. manages the food service operations of the School District. All costs of Sodexo Management, Inc. have been reflected in the financial statements of the Food Service Fund as purchased services.

Note 17 **Contingencies**

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

B. Litigation

There are currently no matters in litigation with the School District as defendant.

Note 18 **Risk Management and Insurance Pool**

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (worker's compensation), as well as medical benefits provided to employees. The District has purchased commercial insurance for medical claims, self-funds worker's compensation claims subject to stop loss insurance, and participates in the SET-SEG risk pool for general liability, and property/casualty claims. Settled claims relating to the commercial insurance did not exceed the amount of insurance coverage in any of the past three fiscal years.

The SET-SEG shared risk pool program in which the District participates operates as a common risk sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 19 **Governmental Regulation**

Substantially all of the District's facilities are subject to federal, state, and local provisions regulating the discharge of material into the environment. Compliance with these provisions has not had, nor does the District expect such compliance to have, any material effect upon the capital expenditures, net revenue in excess of expenditures or financial condition of the school district. Management believes that its current practices and procedures for the control and disposition of such wastes comply with applicable federal and state requirements.

Note 20 **Sinking Fund**

The Sinking Fund records capital project activities funded with Sinking Fund millage. For this fund, the School District has complied with the applicable provisions of §1212(1) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

MONROE PUBLIC SCHOOLS

Notes to Financial Statements *Year Ended June 30, 2024*

Note 21 **Capital Projects**

The 2020 Bond Capital Projects Fund and the Building and Site Fund includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provision of §1351a of the Revised School Code.

Note 22 **New Accounting Standard**

In June 2022, the Governmental Accounting Standards Board issued GASB Statement Number 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The School District is required to implement this standard effective July 1, 2024; however, there will be no material effect to the financial statements as a whole.

REQUIRED SUPPLEMENTAL INFORMATION

MONROE PUBLIC SCHOOLS

General Fund Budgetary Comparison Schedule Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local sources	\$13,458,600	\$13,177,062	\$12,994,876	(\$182,186)
State sources	43,353,106	50,458,390	48,783,970	(1,674,420)
Federal sources	11,863,437	11,146,997	8,800,108	(2,346,889)
Interdistrict and other sources	4,373,000	4,462,172	4,501,599	39,427
Total Revenues	73,048,143	79,244,621	75,080,553	(4,164,068)
Expenditures				
Instruction:				
Basic programs	29,149,813	29,474,644	27,861,125	1,613,519
Added needs	7,692,009	9,992,902	9,341,504	651,398
Adult/continuing education	322,151	503,069	228,319	274,750
Support services:				
Pupil	5,521,919	6,706,538	6,140,339	566,199
Instructional staff	4,573,258	6,404,274	4,799,877	1,604,397
General administration	850,577	927,281	814,119	113,162
School administration	4,307,803	4,813,763	4,662,484	151,279
Business administration	900,057	1,114,023	1,056,062	57,961
Operation and maintenance	7,713,326	8,822,501	8,202,271	620,230
Pupil transportation	3,336,549	3,703,634	3,374,417	329,217
Central services	4,148,453	3,942,159	3,503,198	438,961
Athletics	1,145,345	1,328,656	1,169,641	159,015
Community services	897,574	1,125,857	892,097	233,760
Interdistrict and other uses	30,612	36,732	35,067	1,665
Facilities acquisition, construction, and improvements	5,987,825	4,942,962	4,161,636	781,326
Prior period adjustments	500	500	(3,539)	4,039
Debt service:				
Principal retirement	448,015	473,275	473,241	34
Interest and fiscal charges	30,015	12,036	12,027	9
Total Expenditures	77,055,801	84,324,806	76,723,885	7,600,921
Excess (Deficiency) of Revenue Over Expenditures	(4,007,658)	(5,080,185)	(1,643,332)	3,436,853
Other Financing Sources (Uses)				
Operating transfers in	30,000	50,000	30,000	(20,000)
Net Change in Fund Balances	(3,977,658)	(5,030,185)	(1,613,332)	3,416,853
Fund Balances - Beginning of year	9,613,867	12,344,692	12,344,692	0
Fund Balances - End of year	\$5,636,209	\$7,314,507	\$10,731,360	\$3,416,853

MONROE PUBLIC SCHOOLS

*Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 School District Fiscal Years (Amounts determined as of 9/30 of each year)*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. School District's proportion of net pension liability (%)	0.25908%	0.26095%	0.26747%	0.28059%	0.27085%	0.28523%	0.29590%	0.30097%	0.29556%	0.30629%
B. School District's proportion proportionate share of net pension liability	\$83,854,021	\$98,140,525	\$63,324,952	\$92,949,544	\$89,697,000	\$85,744,851	\$76,680,531	\$75,088,472	\$72,189,676	\$67,464,298
C. School District's covered-employee payroll	\$26,257,072	\$25,189,413	\$23,793,199	\$24,468,186	\$23,401,206	\$23,768,752	\$24,557,808	\$25,694,545	\$24,643,221	\$26,024,324
D. School District's proportionate share of net pension liability as a percentage of its covered-employee payroll (%)	31.31%	25.67%	37.57%	26.32%	26.09%	27.72%	32.03%	34.22%	34.14%	38.57%
E. Plan fiduciary net position as a percentage of total pension liability	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE September 30, 2014.

MONROE PUBLIC SCHOOLS

Schedule of the School District's Pension Contributions

Michigan Public School Employees Retirement Plan

Last 10 School District Fiscal Years (Amounts determined as of 6/30 of each year)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$9,337,533	\$8,881,711	\$8,031,154	\$7,436,080	\$7,195,283	\$7,766,835	\$6,940,450	\$6,758,340	\$5,701,662	\$8,645,323
B. Contributions in relation to statutorily required contributions*	\$9,337,533	\$8,881,711	\$8,031,154	\$7,436,080	\$7,195,283	\$7,766,835	\$6,940,450	\$6,758,340	\$5,701,662	\$8,645,323
C. Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. School District's covered-employee payroll	\$28,346,591	\$25,843,849	\$24,638,886	\$23,653,592	\$24,502,961	\$23,722,471	\$24,045,951	\$24,536,412	\$24,723,973	\$24,816,475
E. Contributions as a percentage of covered-employee payroll	32.94%	34.37%	32.60%	31.44%	29.36%	32.74%	28.86%	27.54%	23.06%	34.84%

*Contributions in relation to statutorily required contributions are the contributions a school district actually made to MPSERS, which may differ from the statutorily required contributions.

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

MONROE PUBLIC SCHOOLS

*Schedule of the School District's Proportionate Share of the Net OPEB (Asset)/Liability
Michigan Public School Employees Retirement Plan
Last 10 School District Fiscal Years (Amounts determined as of 9/30 of each year)*

	2023	2022	2021	2020	2019	2018	2017
A. School District's proportion of net OPEB (asset)/liability (%)	0.26128%	0.25882%	0.26331%	0.27537%	0.26734%	0.27914%	0.29724%
B. School District's proportion proportionate share of net OPEB (asset)/liability	(\$1,478,079)	\$5,481,997	\$4,019,059	\$14,752,495	\$19,188,709	\$22,188,948	\$26,322,261
C. School District's covered-employee payroll	\$26,257,072	\$25,189,413	\$23,793,199	\$24,468,186	\$23,401,206	\$23,768,752	\$24,557,808
D. School District's proportionate share of net OPEB (asset)/liability as a percentage of its covered-employee payroll (%)	-1776.43%	459.49%	592.01%	165.86%	121.95%	107.12%	93.30%
E. Plan fiduciary net position as a percentage of total OPEB (asset)/liability	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

MONROE PUBLIC SCHOOLS

*Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 School District Fiscal Years (Amounts determined as of 6/30 of each year)*

	2024	2023	2022	2021	2020	2019	2018
A. Statutorily required contributions	\$2,035,390	\$1,971,528	\$1,954,645	\$1,945,582	\$1,835,550	\$1,811,908	\$2,314,161
B. Contributions in relation to statutorily required contributions*	\$2,035,390	\$1,971,528	\$1,954,645	\$1,945,582	\$1,835,550	\$1,811,908	\$2,314,161
C. Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. School District's covered-employee payroll	\$28,346,591	\$25,843,849	\$24,638,886	\$23,653,592	\$24,502,961	\$23,722,471	\$24,045,951
E. Contributions as a percentage of covered-employee payroll	7.18%	7.63%	7.93%	8.23%	7.49%	7.64%	9.62%

*Contributions in relation to statutorily required OPEB contributions are the contributions a school district actually made to the OPEB plan, as distinct from the statutorily required contributions.

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

MONROE PUBLIC SCHOOLS

Notes to Required Supplemental Information Year Ended June 30, 2024

Pension Information

Benefit Changes

There were no changes of benefit terms for the pension plan year ended 2023.

Assumption Changes

There were no changes of assumptions for the pension plan year ended 2023, except for the following:

- **2023 - Mortality:**
 - Retirees – PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active Members – PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
- **2022 - Mortality:**
 - Retirees – RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
 - Active Members – RP-2014 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

OPEB Information

Benefit Changes

There were no changes of benefit terms for the OPEB plan year ended 2023.

Assumption Changes

There were no changes of assumptions for the OPEB plan year ended 2023, except for the following:

- **2023 – Health Cost Trend Rate**
 - Pre-65: 7.50% Year 1 graded to 3.50% Year 15
 - Post-65: 6.25% Year 1 graded to 3.50% Year 15
- **2022 – Health Cost Trend Rate**
 - Pre-65: 7.75% Year 1 graded to 3.50% Year 15; 3.0% Year 120
 - Post-65: 5.25% Year 1 graded to 3.50% Year 15; 3.0% Year 120
- **2023 - Mortality:**
 - Retirees – PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active Members – PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
- **2022 - Mortality:**
 - Retirees – RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
 - Active Members – RP-2014 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

OTHER SUPPLEMENTAL INFORMATION

MONROE PUBLIC SCHOOLS

*General Fund
Schedule of Revenues-Budget and Actual
Year Ended June 30, 2024*

	Final Budget	Actual	Positive (Negative) Budget
Local Sources			
Property taxes	\$12,224,040	\$12,149,543	(\$74,497)
Tuition	47,000	51,752	4,752
Transportation fees	30,000	36,309	6,309
Interest income	56,100	96,237	40,137
Test fees	2,000	1,259	(741)
Child care	179,000	173,187	(5,813)
Rental income	105,000	97,507	(7,493)
Community activities	70,000	61,668	(8,332)
Athletics	162,520	169,930	7,410
Donations	201,636	76,171	(125,465)
Other revenue	99,766	81,313	(18,453)
Total Local Sources	13,177,062	12,994,876	(182,186)
State Sources			
Unrestricted grants:			
Foundation	31,424,117	31,413,862	(10,255)
Enrollment stabilization	506,829	507,826	997
CTE Incentive	41,415	41,415	0
Restricted grants:			
At risk	3,747,528	3,647,367	(100,161)
Bilingual education	80,862	58,417	(22,445)
Transportation costs	500,205	500,205	0
Special education/Headlee obligation	2,361,059	2,361,019	(40)
Wraparound services	746,203	601,588	(144,615)
MPERS offset/UAAL/reform	6,580,032	6,970,513	390,481
Section 31aa Mental health/security grant	1,101,650	890,058	(211,592)
Targeted literacy/early literacy professional development	692,396	61,234	(631,162)
Section 97 security grants	426,092	398,824	(27,268)
Other state grants	1,068,512	356,274	(712,238)
Transfer from intermediate school district:			
Vocational education added costs	383,189	383,189	0
Adult education	423,652	219,555	(204,097)
Other state grants	374,649	372,624	(2,025)
Total State Sources	50,458,390	48,783,970	(1,674,420)
Federal Sources			
Title I	2,069,058	1,406,400	(662,658)
Title II improving teacher quality	245,278	227,471	(17,807)
Title III limited english	57,467	47,740	(9,727)
Title IV	139,405	124,966	(14,439)
WIOA instruction	136,618	121,136	(15,482)
WIOA institution	43,842	34,318	(9,524)
WIOA ESL	40,768	25,480	(15,288)
21st Century learning communities	300,000	285,343	(14,657)
ARP homeless II	115,863	79,014	(36,849)
ESSER II/ESSER II categoricals/section 98c learning loss	265,950	265,950	0
ESSER III	7,213,174	5,942,145	(1,271,029)
GEER II	29,500	29,500	0
US fish and wildlife foundation	150,000	0	(150,000)
Transfer from intermediate school district or other agency:			
Title I regional assistance grant	14,635	11,954	(2,681)
Substance abuse prevention	150,000	25,932	(124,068)
Homeless students' assistance	24,100	20,987	(3,113)
Perkins	112,590	112,590	0
Other federal grants	38,749	39,182	433
Total Federal Sources	11,146,997	8,800,108	(2,346,889)
Interdistrict and Other Sources			
Transfer from intermediate school districts:			
County special education tax	2,456,864	2,456,865	1
Technology enhancement millage	1,588,400	1,630,745	42,345
Prior period adjustment	3,000	85	(2,915)
Material insurance proceeds	7,100	7,097	(3)
Proceeds from sale of capital assets	406,808	406,807	(1)
Transfer from food service	50,000	30,000	(20,000)
Total Interdistrict and Other Sources	4,512,172	4,531,599	19,427
Total Revenues	\$79,294,621	\$75,110,553	(\$4,184,068)

MONROE PUBLIC SCHOOLS

*General Fund
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2024*

	Salaries	Employee Benefits	Purchased Services
Instruction			
Basic Programs:			
Elementary	\$7,351,333	\$5,568,957	\$423,034
Middle school	2,007,007	1,622,060	94,555
High school	3,712,765	2,735,468	636,402
Summer school	388,209	209,677	93,500
	<u>13,459,314</u>	<u>10,136,162</u>	<u>1,247,491</u>
Added Needs:			
Special education	2,865,518	1,919,052	16,254
Compensatory education	1,259,411	667,568	180,581
Career and technical education	858,658	637,517	66,506
	<u>4,983,587</u>	<u>3,224,137</u>	<u>263,341</u>
Adult/Continuing Education:			
Adult/Continuing education	137,558	73,625	12,439
	<u>137,558</u>	<u>73,625</u>	<u>12,439</u>
Total Instruction	<u>18,580,459</u>	<u>13,433,924</u>	<u>1,523,271</u>
Support Services			
Pupil:			
Truancy	31,147	24,409	224,584
Guidance	656,556	481,925	62,164
Health	265,097	174,866	336,302
Speech	138,416	98,413	85,330
Social work services	1,046,101	728,608	544,615
Other pupil services	613,090	455,710	151,091
	<u>2,750,407</u>	<u>1,963,931</u>	<u>1,404,086</u>
Instructional Staff:			
Improvement of instruction	1,304,311	874,009	485,421
Educational media services	0	0	0
Instruction related technology	0	0	0
Supervision and direction	1,155,741	804,376	68,784
Academic student assessment	7,576	4,255	3,115
Other instructional staff services	0	0	0
	<u>2,467,628</u>	<u>1,682,640</u>	<u>557,320</u>
General Administration:			
Board of Education	13,600	1,040	322,354
Executive administration	309,155	119,997	1,262
Grant writer	0	0	0
	<u>322,755</u>	<u>121,037</u>	<u>323,616</u>
School Administration:			
Office of the principal	2,383,967	1,734,207	442,333
Other school administration	0	0	35,750
	<u>2,383,967</u>	<u>1,734,207</u>	<u>478,083</u>
Business Administration:			
Fiscal services	388,313	294,554	79,172
Internal services	20,484	11,480	31,064
Other business services	0	0	41,807
	<u>408,797</u>	<u>306,034</u>	<u>152,043</u>

Supplies and Materials	Capital Outlay	Other Expenses	Totals	Final Budget	Positive (Negative) Budget
\$757,299	\$113,156	\$6,424	\$14,220,203	\$14,817,267	\$597,064
131,159	2,619	4,331	3,861,731	4,018,087	156,356
299,497	124,182	1,505,075	9,013,389	9,272,292	258,903
74,416	0	0	765,802	1,366,998	601,196
1,262,371	239,957	1,515,830	27,861,125	29,474,644	1,613,519
12,956	450	0	4,814,230	4,912,030	97,800
12,211	141,401	409	2,261,581	2,795,826	534,245
279,772	377,012	46,228	2,265,693	2,282,646	16,953
304,939	518,863	46,637	9,341,504	9,990,502	648,998
4,116	0	581	228,319	503,069	274,750
1,571,426	758,820	1,563,048	37,430,948	39,968,215	2,537,267
0	0	0	280,140	322,129	41,989
5,535	0	0	1,206,180	1,302,956	96,776
1,348	0	13,795	791,408	902,771	111,363
753	0	0	322,912	328,652	5,740
484	0	0	2,319,808	2,547,874	228,066
0	0	0	1,219,891	1,302,156	82,265
8,120	0	13,795	6,140,339	6,706,538	566,199
13,190	3,587	0	2,680,518	4,078,646	1,398,128
2,762	0	0	2,762	3,601	839
0	0	0	0	0	0
14,117	41,195	4,689	2,088,902	2,286,453	197,551
0	0	0	14,946	22,825	7,879
12,749	0	0	12,749	12,749	0
42,818	44,782	4,689	4,799,877	6,404,274	1,604,397
4,376	13,028	20,911	375,309	442,345	67,036
2,260	5,707	429	438,810	484,436	45,626
0	0	0	0	500	500
6,636	18,735	21,340	814,119	927,281	113,162
6,282	27,838	10,379	4,605,006	4,743,013	138,007
21,728	0	0	57,478	70,750	13,272
28,010	27,838	10,379	4,662,484	4,813,763	151,279
16,552	88,725	20,886	888,202	926,676	38,474
18,782	23,449	0	105,259	119,469	14,210
0	0	20,794	62,601	67,878	5,277
35,334	112,174	41,680	1,056,062	1,114,023	57,961

MONROE PUBLIC SCHOOLS

*General Fund
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2024*

	Salaries	Employee Benefits	Purchased Services
Support Services (Concluded)			
Operating Buildings Services:			
Operation and maintenance	\$1,113,315	\$927,365	\$3,088,830
Security services	24,580	1,880	862,699
	<u>1,137,895</u>	<u>929,245</u>	<u>3,951,529</u>
Pupil transportation	457,483	285,367	2,294,945
Central Services:			
Plan, research, develop & evaluation	0	0	3,280
Communication services	72,854	54,786	26,229
Staff/Personnel services	364,884	267,179	284,054
Technology	410,634	296,765	1,153,462
Pupil accounting	94,491	76,850	0
	<u>942,863</u>	<u>695,580</u>	<u>1,467,025</u>
Athletics	<u>373,304</u>	<u>239,383</u>	<u>404,174</u>
Total Support Services	11,245,099	7,957,424	11,032,821
Community Services			
Community recreation	15,572	4,190	28,148
Community activities	27,480	20,073	36,563
Custody and care of children	89,877	47,665	203,400
Welfare activities	0	0	9,267
Non-Public school pupils	140,114	91,593	54,682
	<u>273,043</u>	<u>163,521</u>	<u>332,060</u>
Total Community Services	273,043	163,521	332,060
Interdistrict and Other Uses			
Other	0	0	0
Facilities Acquisition, Construction, and Improvements			
Site improvement and construction services	0	0	37,447
Building improvement services	<u>0</u>	<u>0</u>	<u>20,000</u>
Total Facilities Acquisition, Construction, and Improvements	0	0	57,447
Prior Period Adjustments	0	0	0
Debt Service			
Principal retirement	0	0	0
Interest and fiscal charges	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Service	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures and Other Financing Uses	<u>\$30,098,601</u>	<u>\$21,554,869</u>	<u>\$12,945,599</u>

Supplies and Materials	Capital Outlay	Other Expenses	Totals	Final Budget	Positive (Negative) Budget
\$1,473,413	\$123,095	\$15,556	\$6,741,574	\$7,230,189	\$488,615
13,449	558,089	0	1,460,697	1,594,712	134,015
1,486,862	681,184	15,556	8,202,271	8,824,901	622,630
272,937	59,358	4,327	3,374,417	3,703,634	329,217
0	0	0	3,280	3,300	20
11,602	0	200	165,671	206,919	41,248
5,759	14,628	11,903	948,407	995,852	47,445
42,978	277,932	32,177	2,213,948	2,516,575	302,627
363	188	0	171,892	219,513	47,621
60,702	292,748	44,280	3,503,198	3,942,159	438,961
97,907	31,653	23,220	1,169,641	1,328,656	159,015
2,039,326	1,268,472	179,266	33,722,408	37,765,229	4,042,821
10,132	328	9,917	68,287	107,526	39,239
43,080	0	0	127,196	195,008	67,812
4,040	0	415	345,397	353,704	8,307
22,001	0	3,199	34,467	52,354	17,887
30,361	0	0	316,750	417,265	100,515
109,614	328	13,531	892,097	1,125,857	233,760
0	0	35,067	35,067	36,732	1,665
0	313,226	200	350,873	742,440	391,567
0	3,790,763	0	3,810,763	4,200,522	389,759
0	4,103,989	200	4,161,636	4,942,962	781,326
0	0	(3,539)	(3,539)	500	4,039
0	0	473,241	473,241	473,275	34
0	0	12,027	12,027	12,036	9
0	0	485,268	485,268	485,311	43
\$3,720,366	\$6,131,609	\$2,272,841	\$76,723,885	\$84,324,806	\$7,600,921

MONROE PUBLIC SCHOOLS

Sinking Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Sources:				
Property taxes	\$2,142,550	\$2,084,805	\$2,093,230	\$8,425
Interest income	75,200	150,200	159,020	8,820
Total Local Sources	2,217,750	2,235,005	2,252,250	17,245
State Sources:				
Personal property tax reimbursement	55,000	59,942	59,942	0
Total Revenues	2,272,750	2,294,947	2,312,192	17,245
Expenditures				
Purchased services:				
Other services	7,250	7,250	1,085	6,165
Capital outlay:				
Building improvements	1,986,000	3,262,500	2,049,123	1,213,377
Total Expenditures	1,993,250	3,269,750	2,050,208	1,219,542
Net Change in Fund Balance	279,500	(974,803)	261,984	1,236,787
Fund Balance - Beginning of year	2,791,551	4,364,680	4,364,680	0
Fund Balance - End of year	\$3,071,051	\$3,389,877	\$4,626,664	\$1,236,787

MONROE PUBLIC SCHOOLS

*2020 Bond Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Sources:				
Interest income	\$240,000	\$800,000	\$806,586	\$6,586
Gain (loss) on investments	100,000	115,000	121,244	6,244
Total Local Sources	340,000	915,000	927,830	12,830
Expenditures				
Purchased services:				
Other services	3,734,100	3,935,595	1,385,307	2,550,288
Capital outlay:				
Building improvements	11,200,000	15,300,000	8,511,352	6,788,648
Total Expenditures	14,934,100	19,235,595	9,896,659	9,338,936
Other Financing Sources (Uses)				
Proceeds from bond issuance	13,720,000	13,720,000	13,720,000	0
Bond premium	0	237,915	237,915	0
Total Other Financing Sources (Uses)	13,720,000	13,957,915	13,957,915	0
Net Change in Fund Balance	(874,100)	(4,362,680)	4,989,086	9,351,766
Fund Balance - Beginning of year	3,108,494	9,888,366	9,888,366	0
Fund Balance - End of year	\$2,234,394	\$5,525,686	\$14,877,452	\$9,351,766

MONROE PUBLIC SCHOOLS

*Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2024*

	Special Revenue Funds		Capital Projects Fund	Debt Retirement Fund	Total Nonmajor Governmental Funds
	Food Service	Student & School Activity Fund	Building and Site	2020 Bond Debt Service Fund	
Assets					
Cash and cash equivalents	\$3,996,060	\$354,532	\$42,422	\$2,357,838	\$6,750,852
Accounts receivable	47,810	1,787	0	11,050	60,647
Prepaid expenditures	260	0	0	0	260
Due from other governmental units	559,376	0	0	0	559,376
Total Assets	\$4,603,506	\$356,319	\$42,422	\$2,368,888	\$7,371,135
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$199,974	\$3,478	\$0	\$0	\$203,452
Salaries payable	178	0	0	0	178
Due to other governmental units	2,550	0	0	0	2,550
Other liabilities	14	0	0	0	14
Unearned revenue	34,859	0	0	0	34,859
Total Liabilities	237,575	3,478	0	0	241,053
Fund Balances					
Nonspendable:					
Prepaid expenditures	260	0	0	0	260
Restricted for:					
Food service	4,365,671	0	0	0	4,365,671
Debt service	0	0	0	2,368,888	2,368,888
Committed to:					
Student and school activities	0	352,841	0	0	352,841
Assigned to:					
High School pool renovations	0	0	35,000	0	35,000
Capital projects	0	0	7,422	0	7,422
Total Fund Balances	4,365,931	352,841	42,422	2,368,888	7,130,082
Total Liabilities and Fund Balances	\$4,603,506	\$356,319	\$42,422	\$2,368,888	\$7,371,135

MONROE PUBLIC SCHOOLS

*Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2024*

	Special Revenue Funds		Capital Projects Fund	Debt Retirement Fund	
	Food Service	Student & School Activity Fund	Building and Site Fund	2020 Bond Debt Service Fund	Total Nonmajor Governmental Funds
Revenues					
Local sources	\$485,852	\$396,356	\$6,336	\$3,209,835	\$4,098,379
State sources	347,692	0	0	0	347,692
Federal sources	3,708,559	0	0	0	3,708,559
Other sources	0	0	0	0	0
Total Revenues	4,542,103	396,356	6,336	3,209,835	8,154,630
Expenditures					
Support services	0	400,089	0	0	400,089
Debt service	2,900	0	0	3,004,336	3,007,236
Food service	4,216,469	0	0	0	4,216,469
Total Expenditures	4,219,369	400,089	0	3,004,336	7,623,794
Excess (Deficiency) of Revenues Over Expenditures	322,734	(3,733)	6,336	205,499	530,836
Other Financing Sources (Uses)					
Operating transfers out	(30,000)	0	0	0	(30,000)
Net Change in Fund Balances	292,734	(3,733)	6,336	205,499	500,836
Fund Balances - Beginning of year	4,073,197	356,574	36,086	2,163,389	6,629,246
Fund Balances - End of year	\$4,365,931	\$352,841	\$42,422	\$2,368,888	\$7,130,082

MONROE PUBLIC SCHOOLS

*Food Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Sources:				
Food sales	\$325,000	\$348,000	\$393,305	\$45,305
Interest income	40,000	90,000	92,487	2,487
Other	500	500	60	(440)
Total Local Sources	365,500	438,500	485,852	47,352
State Sources:				
Restricted grants	35,560	338,067	347,692	9,625
Federal Sources:				
Restricted grants	3,118,100	3,324,151	3,462,501	138,350
Commodities	250,000	302,000	246,058	(55,942)
Total Federal Sources	3,368,100	3,626,151	3,708,559	82,408
Total Revenues	3,769,160	4,402,718	4,542,103	139,385
Expenditures				
Food Service:				
Salaries	128,400	167,400	140,243	27,157
Employee benefits	68,100	88,546	81,120	7,426
Purchased services	1,255,160	1,602,702	1,551,903	50,799
Supplies and materials	1,704,610	2,519,291	2,029,620	489,671
Capital outlay	2,000,000	2,000,000	410,163	1,589,837
Other	4,500	5,000	3,420	1,580
Total Food Service	5,160,770	6,382,939	4,216,469	2,166,470
Debt Service:				
Principal retirement	2,750	2,820	2,819	1
Interest and fiscal charges	223	81	81	0
Total Debt Service	2,973	2,901	2,900	1
Total Expenditures	5,163,743	6,385,840	4,219,369	2,166,471
Excess (Deficiency) of Revenue Over Expenditures	(1,394,583)	(1,983,122)	322,734	2,305,856
Other Financing Sources (Uses)				
Operating transfers out	(30,000)	(50,000)	(30,000)	20,000
Net Change in Fund Balance	(1,424,583)	(2,033,122)	292,734	2,325,856
Fund Balance - Beginning of year	2,063,895	4,073,197	4,073,197	0
Fund Balance - End of year	\$639,312	\$2,040,075	\$4,365,931	\$2,325,856

MONROE PUBLIC SCHOOLS

Student and School Activity Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u></u>
Revenues				
Local Sources:				
Student and school activities	\$450,000	\$450,000	\$396,356	(\$53,644)
Expenditures				
Student and School Activities:				
Student and school activities	<u>450,000</u>	<u>450,000</u>	<u>400,089</u>	<u>49,911</u>
Net Change in Fund Balance	0	0	(3,733)	(3,733)
Fund Balance - Beginning of year	<u>325,431</u>	<u>356,574</u>	<u>356,574</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$325,431</u></u>	<u><u>\$356,574</u></u>	<u><u>\$352,841</u></u>	<u><u>(\$3,733)</u></u>

MONROE PUBLIC SCHOOLS

Building and Site Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Sources:				
Donations - MHS pool project	\$10,000	\$5,000	\$5,000	\$0
Interest income	100	1,500	1,336	(164)
Total Local Sources	10,100	6,500	6,336	(164)
Expenditures	0	0	0	0
Net Change in Fund Balance	10,100	6,500	6,336	(164)
Fund Balance - Beginning of year	35,745	36,086	36,086	0
Fund Balance - End of year	<u>\$45,845</u>	<u>\$42,586</u>	<u>\$42,422</u>	<u>(\$164)</u>

MONROE PUBLIC SCHOOLS

2020 Bond Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Sources:				
Property taxes	\$3,261,300	\$3,101,975	\$3,119,265	\$17,290
Interest income	35,700	80,500	90,570	10,070
Total Revenues	3,297,000	3,182,475	3,209,835	27,360
Expenditures				
Debt Service:				
Other services	1,000	1,000	1,000	0
Principal	1,125,000	1,125,000	1,085,000	40,000
Interest and fees	2,293,275	1,918,337	1,918,336	1
Total Expenditures	3,419,275	3,044,337	3,004,336	40,001
Net Change in Fund Balance	(122,275)	138,138	205,499	67,361
Fund Balance - Beginning of year	2,139,367	2,163,389	2,163,389	0
Fund Balance - End of year	\$2,017,092	\$2,301,527	\$2,368,888	\$67,361

MONROE PUBLIC SCHOOLS

*Schedule of Technology Enhancement Millage
Budget and Actual
Year Ended June 30, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Technology enhancement millage	\$1,670,000	\$1,588,400	\$1,630,745	\$42,345
Expenditures				
Salaries	371,377	373,577	338,460	35,117
Fringe benefits	211,915	219,270	197,973	21,297
Purchased services	560,500	708,200	640,484	67,716
Supplies	72,000	52,000	42,962	9,038
Capital outlay	203,000	122,700	73,494	49,206
Other	150	450	450	0
	1,418,942	1,476,197	1,293,823	182,374
Debt service	222,730	222,727	222,727	0
Total Expenditures	1,641,672	1,698,924	1,516,550	182,374
Net Change in Fund Balance	28,328	(110,524)	114,195	224,719
Fund Balance - Beginning of year	0	160,148	160,148	0
Fund Balance - End of year	\$28,328	\$49,624	\$274,343	\$224,719

MONROE PUBLIC SCHOOLS

*Schedule of Athletics
Budget and Actual
Year Ended June 30, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest income	\$200	\$200	\$1	(\$199)
Admissions	46,500	59,020	55,859	(3,161)
Participation fees	103,500	103,500	114,071	10,571
Donations	6,000	6,000	4,300	(1,700)
Miscellaneous	5,000	5,000	165	(4,835)
MPSERS UAAL	0	64,350	71,854	7,504
Total Revenues	\$161,200	\$238,070	\$246,250	\$8,180
Expenditures				
Salaries	\$363,295	\$442,045	\$387,171	\$54,874
Employee benefits	223,300	266,061	239,383	26,678
Purchased services	623,000	648,000	553,660	94,340
Supplies and materials	209,500	185,000	121,591	63,409
Capital outlay	15,000	36,000	31,653	4,347
Other	17,650	20,150	23,220	(3,070)
Total Expenditures	\$1,451,745	\$1,597,256	\$1,356,678	\$240,578

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

MONROE PUBLIC SCHOOLS

*Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024*

Federal Grantor Pass Through Grantor Program Title Grant Number		Federal AL Number	Approved Grant Award Amount	Accrued (Deferred) Revenue July 1, 2023	Prior Year Expenditures (Memo Only)
<u>U.S. Department of Education</u>					
Passed Through State of Michigan Department of Education:					
Title I, Part A - Improving Basic Programs	231530-2223	84.010	\$2,108,795	\$651,410	\$1,287,826
Title I, Part A - Improving Basic Programs	241530-2324	84.010	1,807,659	0	0
			3,916,454	651,410	1,287,826
Title II, Part A - Teacher and Principal Training	230520-2223	84.367	313,873	77,420	274,156
Title II, Part A - Teacher and Principal Training	240520-2324	84.367	220,610	0	0
			534,483	77,420	274,156
Title III - Limited English	230580-2223	84.365A	33,985	6,000	19,350
Passed through to:					
Airport Community Schools	230580-2223	84.365A	8,867	6,272	6,272
Bedford Public Schools	230580-2223	84.365A	7,986	0	0
Chelsea School District	230580-2223	84.365A	3,306	0	0
Dundee Community Schools	230580-2223	84.365A	902	871	871
Ida Public Schools	230580-2223	84.365A	189	0	0
Monroe County Intermediate School District	230580-2223	84.365A	1,163	401	401
Title III - Limited English	240580-2324	84.365A	29,581	0	0
Passed through to:					
Airport Community Schools	240580-2324	84.365A	6,441	0	0
Bedford Public Schools	240580-2324	84.365A	2,793	0	0
Chelsea School District	240580-2324	84.365A	2,918	0	0
Dundee Community Schools	240580-2324	84.365A	2,105	0	0
Ida Public Schools	240580-2324	84.365A	285	0	0
Monroe County Intermediate School District	240580-2324	84.365A	1,255	0	0
			101,776	13,544	26,894
Title IV, Part A - SSAE	230750-2223	84.424A	182,809	18,275	170,954
Title IV, Part A - SSAE	240750-2324	84.424A	131,757	0	0
			314,566	18,275	170,954
Title IV, Part B - 21st Century Learning Centers L	232110-K181488	84.287C	300,000	58,667	212,449
Title IV, Part B - 21st Century Learning Centers L	242110-L194206	84.287C	300,000	0	0
			600,000	58,667	212,449
Education Stabilization Program (ESP):					
COVID-19 - Governor's Emergency Education Relief (GEER II) Funds					
	211202-2122	84.425C	91,500	0	62,000
COVID 19 - ESSER Formula Funds II	213712-20-21	84.425D	5,484,378	22,535	5,218,427
COVID 19 - ESSER II Credit Recovery 9-12	213742-2122	84.425D	170,500	5,268	170,500
COVID 19 - ESSER II Before and After School Programming K-12	213752-2122	84.425D	25,000	3,101	25,000
COVID 19 - Section 98c Learning Loss	213782-2223	84.425D	249,263	24,705	249,263

See accompanying notes to this schedule.

Current Year Expenditures	Adjustments and Transfers	Federal Funds/ Payments In-kind (Cash Basis)	Accrued (Deferred) Revenue June 30, 2024	Subrecipient Award/ Contract Amount	Subrecipient Current Year Expenditures	Current Year Cash Transferred to Subrecipient
\$261,399	\$0	\$912,810	(\$1)	\$0	\$0	\$0
1,145,001	0	882,003	262,998	0	0	0
1,406,400	0	1,794,813	262,997	0	0	0
24,668	0	102,088	0	0	0	0
202,803	0	182,515	20,288	0	0	0
227,471	0	284,603	20,288	0	0	0
754	0	6,754	0	0	0	0
177	0	6,449	0	8,867	177	177
7,807	0	7,807	0	7,986	7,807	7,807
3,306	0	3,306	0	3,306	3,306	3,306
31	0	902	0	902	31	31
4	0	4	0	189	4	4
10	0	411	0	1,163	10	10
21,519	0	21,519	0	0	0	0
5,516	0	129	5,387	6,441	5,516	5,516
2,493	0	2,493	0	2,793	2,493	2,493
2,918	0	58	2,860	2,918	2,918	2,918
1,947	0	42	1,905	2,105	1,947	1,947
6	0	6	0	285	6	6
1,252	0	25	1,227	1,255	1,252	1,252
47,740	0	49,905	11,379	38,210	25,467	25,467
7,648	0	25,923	0	0	0	0
117,318	0	113,613	3,705	0	0	0
124,966	0	139,536	3,705	0	0	0
0	0	58,667	0	0	0	0
285,343	0	269,689	15,654	0	0	0
285,343	0	328,356	15,654	0	0	0
29,500	0	29,500	0	0	0	0
265,951	0	288,486	0	0	0	0
0	0	5,268	0	0	0	0
0	0	3,101	0	0	0	0
0	0	24,705	0	0	0	0

MONROE PUBLIC SCHOOLS

*Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024*

Federal Grantor Pass Through Grantor Program Title Grant Number		Federal AL Number	Approved Grant Award Amount	Accrued (Deferred) Revenue July 1, 2023	Prior Year Expenditures (Memo Only)
Passed Through State of Michigan Department of Education (concluded):					
Education Stabilization Program (ESP) (concluded):					
COVID 19 - American Rescue Plan (ARP) ESSER III	213713-2122	84.425U	\$12,325,894	\$2,854,810	\$5,112,720
COVID 19 - American Rescue Plan (ARP) Homeless Children & Youth II	211012-2122	84.425W	115,863	0	85
Total Education Stabilization Program			18,711,661	2,980,232	11,087,258
Total Passed Through State of Michigan Department of Education			24,178,940	3,799,548	13,059,537
Passed Through State of Michigan Department of Labor & Economic Opportunity:					
WIOA Federal Instruction	231130-231717	84.002A	133,407	34,162	114,358
WIOA Federal Instruction	241130-231717	84.002A	136,618	0	0
			270,025	34,162	114,358
WIOA Federal Institution	231190-231717	84.002A	42,798	10,477	37,933
WIOA Federal Institution	241190-231717	84.002A	43,842	0	0
			86,640	10,477	37,933
WIOA IELCE	231120-235006	84.002A	39,277	6,667	35,633
WIOA IELCE	241120-235006	84.002A	40,768	0	0
			80,045	6,667	35,633
Futures for Frontliners - High School Completion	WDAEF4F-32	84.425C	9,685	0	7,435
Total Passed Through State of Michigan Department of Labor & Economic Opportunity:			407,118	44,639	159,726
Passed Through Monroe County Intermediate School District:					
Title I, Part A - Regional Assistance	241570-2324	84.010A	18,496	0	0
Perkins Vocational Education	233520-231225	84.048A	107,393	32,537	107,393
Perkins Vocational Education	243520-241226	84.048A	112,590	0	0
			219,983	32,537	107,393
Homeless Students' Assistance	232320-2223	84.196A	15,940	2,759	11,153
Homeless Students' Assistance	242320-2324	84.196A	16,200	0	0
			32,140	2,759	11,153
COVID 19 - American Rescue Plan (ARP) Homeless Children & Youth I	211013-2223	84.425W	4,247	0	0
Total Passed Through Monroe County Intermediate School District			274,866	35,296	118,546
Total U.S. Department of Education			24,860,924	3,879,483	13,337,809
<u>U.S. Department of Health and Human Services</u>					
Passed Through Intermediate School District					
Preschool Development Birth through 5		93.434	\$27,350	\$0	\$4,670
Medicaid Outreach		93.778	19,935	0	15,119
Total Passed Through Monroe County Intermediate School District			47,285	0	19,789
Passed Through Community Mental Health Partnership of SE Michigan					
COVID 19 - Block Grants for Prevention and	E20236349-00	93.959	150,000	0	0
Total U.S. Dept. of Health and Human Services			197,285	0	19,789

See accompanying notes to this schedule.

Current Year Expenditures	Adjustments and Transfers	Federal Funds/ Payments In-kind (Cash Basis)	Accrued (Deferred) Revenue June 30, 2024	Subrecipient Award/ Contract Amount	Subrecipient Current Year Expenditures	Current Year Cash Transferred to Subrecipient
\$5,942,145	\$0	\$7,701,658	\$1,095,297	\$0	\$0	\$0
79,015	85	46,126	32,974	0	0	0
6,316,611	85	8,123,549	1,173,744	0	0	0
8,408,531	85	10,720,762	1,487,767	38,210	25,467	25,467
0	0	34,162	0	0	0	0
121,136	0	108,302	12,834	0	0	0
121,136	0	142,464	12,834	0	0	0
0	0	10,477	0	0	0	0
34,318	0	32,204	2,114	0	0	0
34,318	0	42,681	2,114	0	0	0
0	0	6,667	0	0	0	0
25,480	0	24,878	602	0	0	0
25,480	0	31,545	602	0	0	0
2,250	0	2,250	0	0	0	0
183,184	0	218,940	15,550	0	0	0
11,954	0	6,501	5,453	0	0	0
0	0	32,537	0	0	0	0
112,590	0	91,854	20,736	0	0	0
112,590	0	124,391	20,736	0	0	0
4,787	0	7,546	0	0	0	0
16,200	0	16,200	0	0	0	0
20,987	0	23,746	0	0	0	0
4,247	0	4,034	213	0	0	0
149,778	0	158,672	26,402	0	0	0
8,741,493	85	11,098,374	1,529,719	38,210	25,467	25,467
\$12,749	\$0	\$12,749	\$0	\$0	\$0	\$0
19,935	0	19,935	0	0	0	0
32,684	0	32,684	0	0	0	0
25,931	0	17,832	8,099	0	0	0
58,615	0	50,516	8,099	0	0	0

MONROE PUBLIC SCHOOLS

*Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024*

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal AL Number	Approved Grant Award Amount	Accrued (Deferred) Revenue July 1, 2023	Prior Year Expenditures (Memo Only)
<u>U.S. Department of Agriculture</u>				
Passed Through State of Michigan Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
National School Lunch Program				
Entitlement Commodities	10.555	244,397	0	291,854
Entitlement Bonus	10.555	1,661	0	57,041
Total Non-Cash Assistance		246,058	0	348,895
Cash Assistance:				
School Breakfast Program 231970	10.553	1,299,779	243,993	1,180,323
School Breakfast Program 241970	10.553	816,836	0	0
		2,116,615	243,993	1,180,323
National School Lunch Program 231960	10.555	2,357,941	426,554	2,076,065
National School Lunch Program 241960	10.555	1,923,735	0	0
Supply Chain Assistance 220910	10.555	93,893	(22,437)	163,683
Supply Chain Assistance 230910	10.555	45,694	(45,694)	0
Supply Chain Assistance 240910	10.555	115,820	0	163,683
Afterschool Snack Program 231980	10.555	41,522	7,235	39,284
Afterschool Snack Program 241980	10.555	39,377	0	0
		4,617,982	365,658	2,442,715
Child and Adult Care Food Program:				
Child and Adult Care Food Program Meals 231920	10.558	17,730	3,563	17,543
Child and Adult Care Food Program Meals 241920	10.558	30,718	0	0
Child and Adult Care Food Program In Lieu of Commodities 232010	10.558	1,319	265	1,306
Child and Adult Care Food Program In Lieu of Commodities 242010	10.558	1,935	0	0
		51,702	3,828	18,849
Summer Food Service Program for Children:				
Summer Food Service Program Operating 230900	10.559	50,679	9,886	9,886
Summer Food Service Program Operating 240900	10.559	50,440	0	0
		101,119	9,886	9,886
Cash Assistance Subtotal		6,887,418	623,365	3,651,773
Total Child Nutrition Cluster		7,133,476	623,365	4,000,668
Total Passed Through State of Michigan Department of Agriculture		7,133,476	623,365	4,000,668
Total U.S. Department of Agriculture		7,133,476	623,365	4,000,668
Total Federal Financial Assistance		\$32,191,685		

See accompanying notes to this schedule.

Current Year Expenditures	Adjustments and Transfers	Federal Funds/ Payments In-kind (Cash Basis)	Accrued (Deferred) Revenue June 30, 2024	Subrecipient Award/ Contract Amount	Subrecipient Current Year Expenditures	Current Year Cash Transferred to Subrecipient
244,397	0	244,397	0	0	0	0
1,661	0	1,661	0	0	0	0
246,058	0	246,058	0	0	0	0
119,456	0	363,449	0	0	0	0
816,836	0	664,099	152,737	0	0	0
936,292	0	1,027,548	152,737	0	0	0
281,876	0	708,429	1			
1,923,735	0	1,600,493	323,242	0	0	0
22,437	0	0	0			
45,694	0	0	0			
86,766	0	115,820	(29,054)	0	0	0
2,238	0	9,473	0	0	0	0
39,377	0	35,012	4,365	0	0	0
2,402,123	0	2,469,227	298,554	0	0	0
187	0	3,750	0	0	0	0
30,718	0	24,191	6,527	0	0	0
13	0	278	0	0	0	0
1,935	0	1,539	396	0	0	0
32,853	0	29,758	6,923	0	0	0
40,793	0	50,679	0	0	0	0
50,440	0	0	50,440			
91,233	0	50,679	50,440	0	0	0
3,462,501	0	3,577,212	508,654	0	0	0
3,708,559	0	3,823,270	508,654	0	0	0
3,708,559	0	3,823,270	508,654	0	0	0
3,708,559	0	3,823,270	508,654	0	0	0
<u>\$12,508,667</u>					<u>\$25,467</u>	

MONROE PUBLIC SCHOOLS

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

1. The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal award activity of Monroe Public Schools under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Monroe Public Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows of Monroe Public Schools.
2. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as a reimbursement. Cash received is recorded on a cash basis. Revenues are recognized when qualifying expenditures have been incurred and all grant requirements have been met.
3. Monroe Public Schools has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.
4. The amounts reported on the Recipient Entitlement Balance Report, or PAL Report, agree with this schedule for USDA donated food commodities and are reported in the cash receipts column.
5. Certain federal programs require that the School District contribute non-federal funds (matching funds) to support the federally-funded programs. The School District has complied with the matching requirements. The expenditures of non-federal matching funds is not included on the Schedule.
6. There were no federal awards expended for loan or loan guarantee programs.
7. Management has utilized the Michigan Department of Education NexSys Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards. The following shows a reconciliation of current year receipts per the schedule of expenditures of federal awards to current payments per the GAR.

Agency total current payments per Michigan Department of Education NexSys Grant Auditor Report	\$14,489,959
Additonal items not on NexSys report:	
Non-cash assistance USDA Commodities	246,058
Passed through Monroe County Intermediate School District:	
Title I, Part A Regional Assistance	6,501
Perkins Vocational Education	124,391
Homeless Students' Assistance	23,746
Homeless Children & Youth I	4,034
Every Student Succeeds Act/Preschool Development Grants	12,749
Medicaid Outreach	19,935
Passed Through State of Michigan Department of Labor & Economic Opportunity:	
Futures for Frontliners - High School Completion	2,250
Passed Through Community Mental Health Partnership of SE Michigan:	
COVID 19 - Block Grant for Prevention and Treatment of Substance Abuse	17,832
Total current year receipts (cash basis) per the schedule of expenditures of federal awards (SEFA)	<u>\$14,947,455</u>

MONROE PUBLIC SCHOOLS

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

8. SUBRECIPIENTS

The School District administers certain federal awards programs through subrecipients. Those subrecipients are not considered part of the School District's reporting entity. Of the federal expenditures presented in the schedule, the School District provided federal awards to subrecipients as follows:

Program Title/Project Number Subrecipient Name	Pass-through Entity Identifying Number	AL Number	Current Year Cash Transferred to Subrecipients	Total Federal Expenditures
Title III Limited English		84.365A		
Airport Community Schools	58020		\$5,693	\$5,693
Bedford Public Schools	58030		10,300	10,300
Chelsea School District	81040		6,224	6,224
Dexter Community Schools	81050		0	0
Dundee Community Schools	58050		1,978	1,978
Ida Public Schools	58070		10	10
Monroe County ISD	58000		1,262	1,262
			<u>\$25,467</u>	<u>\$25,467</u>

MONROE PUBLIC SCHOOLS

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

SUMMARY OF AUDIT RESULTS:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Monroe Public Schools were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Monroe Public Schools, which would be required to be reported in accordance with *Governmental Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs are disclosed in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Monroe Public Schools expresses an unmodified opinion on the major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The programs tested as major programs were the Child Nutrition Cluster (Assistance Listing #10.553, #10.555, and #10.559) and Title I (Assistance Listing #84.010).
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Monroe Public Schools was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT:

There were no findings related to the financial statements which were required to be reported in accordance with generally accepted government auditing standards for the year ended June 30, 2024.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT:

There were no findings or questioned costs related to the major federal award program audit for the year ended June 30, 2024.

MONROE PUBLIC SCHOOLS

*Reconciliation of Basic Financial Statements Federal Revenue
with Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024*

	Year ended June 30, 2024
General Fund	\$8,800,108
Special Revenue Fund:	
Food Service Fund	3,708,559
	<hr/>
Total Federal Revenues	12,508,667
	<hr/>
Total Expenditures per the Schedule of Expenditures of Federal Awards	<u>\$12,508,667</u>



September 16, 2024

To the Board of Directors
Monroe Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Monroe Public Schools for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 18, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Monroe Public Schools are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2024 fiscal year. We noted no transactions entered into by Monroe Public Schools during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the depreciation expense is based on management's assumptions about the useful lives of its capital assets. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the accrued compensated absences is based on formulas and conditions specified in various contracts regarding vacation and sick leave benefits.

Management's estimates of the pension and OPEB liabilities, deferred inflows of resources, and deferred outflows of resources, which are based on actuarial valuations and other financial data. We have evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

To the Board of Directors
Monroe Public Schools

-2-

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of pension and OPEB information in Notes 8 and 9, respectively, to the financial statements because of assumptions used in the calculations of these liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. During the course of our audit procedures, there were no misstatements, either individually or in the aggregate, to the financial statements taken as a whole that came to our attention that needed to be corrected.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 16, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors
Monroe Public Schools

-3-

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, and required pension and other postemployment benefit (OPEB) schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplemental information, as identified in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction of Use

This information is intended solely for the Board of Directors and management of Monroe Public Schools and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Collins H. Ray". The signature is written in a cursive, flowing style.