

School District of the City of Wyandotte

Financial Statements

June 30, 2024



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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School District of the City of Wyandotte
Members of the Board of Education and Administration
June 30, 2024

Members of the Board of Education

Theresa Crnkovich – President

Dana Browning – Vice President

Kathleen Kane – Treasurer

Carolyn Martinez – Secretary

Cindy Kinney – Trustee

Wendy LoCicero – Trustee

Kelly Webber – Trustee

Administration

Dr. James E. Anderson – Superintendent

Brandy Nusser – Business Manager

Independent Auditors' Report

Management and the Board of Education
School District of the City of Wyandotte
Wyandotte, Michigan

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of the City of Wyandotte's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information, as identified in the table of contents, other than the prior year 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, other than the prior year information, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior Year Supplementary Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the School District of the City of Wyandotte's basic financial statements as of and for the year ended June 30, 2023, which are not presented with the accompanying basic financial statements. In our report dated October 30, 2023, we expressed unmodified opinions on the respective basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the School District of the City of Wyandotte's basic financial statements as a whole. The 2023 information in the comparative supplementary schedules is presented for purposes of additional analysis and is not a required part of the 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 2023 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 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 2023 information in the comparative supplementary schedules is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024 on our consideration of the School District of the City of Wyandotte's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District of the City of Wyandotte's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District of the City of Wyandotte's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Ann Arbor, MI
October 24, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management’s Discussion and Analysis
For The Fiscal Year Ended June 30, 2024**

The School District of the City of Wyandotte (“the School District”), a K-12 School District located in Wayne County, Michigan, complies with the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34) with the enclosed financial statements. The management’s discussion and analysis, a requirement of GASB 34, is intended to be the School District management’s discussion and analysis of the financial results for the fiscal year ended June 30, 2024.

Generally accepted accounting principles (GAAP), according to GASB 34, require the reporting of two types of financial statements: district-wide financial statements and fund financial statements.

Fund Financial Statements

The fund level financial statements are reported on a modified accrual basis. Only those assets that are “measurable” and “currently available” are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education’s “Accounting Manual”. In the State of Michigan, the School District’s major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds including: Debt Fund, Capital Projects Fund, Sinking Fund, and Special Revenue Funds which are comprised of: Cafeteria Fund, Student and School Activities Fund and Special Education Center.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year’s payments of principal and interest on long-term obligations are recorded as expenditures. Future year’s debt obligations are not recorded.

District-Wide Financial Statements

The district-wide financial statements are full accrual basis statements. They report all of the School District’s assets and liabilities, both short and long term, whether they are “currently available” or not. For example, assets that are restricted for use in the Debt Fund solely for the payment of long-term principal and interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the School District are reported in the statement of net assets of the district-wide financial statements.

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

Summary of Net Position

The following is a comparative summary of net position at June 30, 2024 and June 30, 2023.

	June 30,	
	2024	2023
Assets		
Current assets	\$ 30,813,169	\$ 28,296,400
Right-to-use assets, net of amortization	-	1,106,459
Net OPEB asset	2,280,446	-
Capital assets, net book value	43,031,409	43,162,576
Total assets	<u>76,125,024</u>	<u>72,565,435</u>
Deferred Outflows of Resources		
Deferred amount of pension expense related to net pension liability	39,439,714	45,375,588
Deferred amount of OPEB expense related to net OPEB asset/liability	8,856,562	12,766,782
Deferred amount on debt refunding	-	7,087
Total deferred outflows of resources	<u>48,296,276</u>	<u>58,149,457</u>
Liabilities		
Current liabilities	9,675,196	8,876,723
Long-term liabilities	172,324,784	206,184,752
Total liabilities	<u>181,999,980</u>	<u>215,061,475</u>
Deferred Inflows of Resources		
Deferred amount on leases receivable	243,674	-
Deferred amount of net pension liability	22,798,574	8,037,981
Deferred amount of net OPEB liability	18,985,573	18,580,443
Total deferred inflows of resources	<u>42,027,821</u>	<u>26,618,424</u>
Net Position		
Net investment in capital assets	1,484,771	3,239,395
Restricted for debt service	4,880,972	4,769,747
Restricted for food service	593,086	543,725
Capital projects	870,854	-
Net OPEB asset	2,280,446	-
Unrestricted	(109,716,630)	(119,517,874)
Total net position	<u>\$ (99,606,501)</u>	<u>\$ (110,965,007)</u>

**Management’s Discussion and Analysis
For The Fiscal Year Ended June 30, 2024**

Analysis of Financial Position

During the fiscal year ended June 30, 2024, the School District’s net position increased by \$11,358,506. A few of the significant factors affecting net assets during the year are discussed below:

A. General Fund Operations

The School District’s General Fund revenues exceeded expenditures by \$283,585 for the fiscal year ended June 30, 2024. See the section entitled Results of Operations for further discussion of General Fund operations.

B. Debt, Principal Payments

The School District made principal payments on bonded, long-term debt obligations as follows:

Outstanding Bonds (Not including School Improvement and Energy Conservation Bonds):

Principal Balance, June 30, 2023	\$33,295,000
Debt issued	0
Principal Payments	<u>(1,305,000)</u>
Principal Balance, June 30, 2024	<u>\$31,990,000</u>

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

C. Net Investment in Capital Assets

The School District's net investment in capital assets decreased by \$1,237,626 during the fiscal year. This is summarized as follows:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Capital assets	\$ 120,898,539	\$ 4,068,749	\$ (2,172,984)	\$ 122,794,304
Less: accumulated depreciation	<u>(76,629,504)</u>	<u>(3,773,970)</u>	<u>640,579</u>	<u>(79,762,895)</u>
Net investment	<u>\$ 44,269,035</u>	<u>\$ 294,779</u>	<u>\$ (1,532,405)</u>	<u>\$ 43,031,409</u>

**Management’s Discussion and Analysis
For The Fiscal Year Ended June 30, 2024**

The following is a comparative summary of operations for June 30, 2024 and June 30, 2023.

Revenues	<u>2024</u>	<u>2023</u>
General revenues		
Property taxes levied for general operations	\$ 4,314,247	\$ 3,841,606
Property taxes levied for debt services	2,411,766	2,236,467
Property taxes levied for sinking fund	1,091,657	1,006,792
State of Michigan unrestricted foundation aid	39,382,583	38,657,110
Enhancement millage	1,784,237	1,603,831
Interest on investments	182,929	128,873
Other general revenues	<u>767,528</u>	<u>296,750</u>
Total general revenues	<u>49,934,947</u>	<u>47,771,429</u>
Operating grants and contributions		
Instruction	38,340,645	41,965,139
Supporting services	5,503,900	7,297,830
Food services	<u>3,067,215</u>	<u>2,539,677</u>
Total operating grants and contributions	<u>46,911,760</u>	<u>51,802,646</u>
Charges for services		
Supporting services	559,776	772,595
Community services	405,815	439,568
Student and school activities	1,265,432	1,413,342
Food services	<u>63,856</u>	<u>65,801</u>
Total charges for services	<u>2,294,879</u>	<u>2,691,306</u>
Total revenue	<u>99,141,586</u>	<u>102,265,381</u>

Management’s Discussion and Analysis
For The Fiscal Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>
Expenses		
Instruction	41,630,572	48,695,390
Supporting services	36,268,875	40,651,392
Student and school activities	1,225,772	1,376,338
Food services	2,733,374	2,837,788
Community services	674,405	817,268
Interest and fiscal charges on long-term debt	1,476,112	1,435,576
Depreciation - unallocated	<u>3,773,970</u>	<u>3,565,142</u>
 Total expenses	 <u>87,783,080</u>	 <u>99,378,894</u>
Increase in net position	11,358,506	2,886,487
Beginning net position	<u>(110,965,007)</u>	<u>(113,851,494)</u>
Ending net position	<u>\$ (99,606,501)</u>	<u>\$ (110,965,007)</u>

The State of Michigan’s Foundation payment to school districts is determined with the following variables:

- a. State of Michigan State Aid Act per student foundation allowance
- b. Student Enrollment - blended at 90% of the current year’s fall count and 10% of the prior year’s spring count.
- c. The School District’s non-homestead tax levy reduced by Tax Increment Finance Authority (TIFA) capture.

Per Student, Foundation Allowance

Annually, the State of Michigan establishes the per student foundation allowance. The School District’s foundation allowance was \$9,608 per student for the 2023-2024 school year.

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

Student Enrollment

The following chart summarizes fall student enrollments (non-blended) for the past five years; expressed as Full Time Equivalents (FTE):

	<u>General Ed</u>	<u>Center Program</u>	<u>Total</u>	<u>Increase/Decrease From Prior Year</u>
2023-24	3,687	548	4,235	(122)
2022-23	3,798	559	4,357	(54)
2021-22	3,862	549	4,411	(125)
2020-21	3,959	577	4,536	(88)
2019-20	4,046	578	4,624	(108)

Subsequent to year-end June 30, 2024, preliminary student enrollment counts for 2024-25 indicate that enrollment will be consistent as compared with 2023-2024.

**Management’s Discussion and Analysis
For The Fiscal Year Ended June 30, 2024**

Property Taxes Levied for General Operations (General Fund Non-Homestead Taxes)

The School District levies 18 mills of property taxes for General Fund operations on non-homestead (business) properties. In 2006 the rate was reduced to 17.9190 due to the Headlee millage reduction fraction. In 2014 the full 18 mills were restored for a period of ten years, thru 2025. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year’s CPI increase or 5 percent, whichever is less. At the time of sale, a property’s taxable valuation is readjusted to the state equalized value, which is theoretically, 50 percent of the market value.

The School District’s non-homestead property tax revenue for the 2023-2024 fiscal year was \$4,152,751. Non-homestead tax revenue remained the same as prior year. The numbers reported in these financial statements are the last figures reported to the Michigan Department of Education.

Most of the School District’s non-homestead property is located in a TIFA district where the tax on any increase in valuation over the base year is “captured” in the TIFA.

The following summarizes the School District’s non-homestead property tax collections for the past five years:

<u>Fiscal Year</u>	<u>Non-Homestead Tax-Levy</u>	<u>% Increase (Decrease) From Prior Year</u>
2023-2024	\$4,152,751	9.35%
2022-2023	3,797,552	6.02%
2021-2022	3,581,933	0.7%
2020-2021	3,557,264	0.8%
2019-2020	3,527,294	-0.2%

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

Debt Fund Property Taxes

The School District's debt fund levy, which is used to pay the principal and interest on bond obligations, is based on the taxable valuation of all properties: homestead and non-homestead.

For 2023-2024, the School District's debt millage levy was 3.5 mills which generated revenue of \$2,282,926.

Sinking Fund Property Taxes

The School District's sinking fund levy, which is used to pay for certain building and site improvements throughout the School District, is based on the taxable valuation of all properties including homestead and non-homestead.

For 2023-2024, the School District's sinking fund millage levy was 1.719 mills which generated revenue of \$1,091,657.

Cafeteria Sales (School Lunch Program)

The School District's Cafeteria Fund balance increased by \$49,361.

**Management’s Discussion and Analysis
For The Fiscal Year Ended June 30, 2024**

General Fund Budget - Actual Revenues and Expenditures

General Fund Revenue - 5-Year Comparison of Budget to Actual Results

<u>Fiscal Year</u>	<u>Revenues Original Budget</u>	<u>Revenues Final Budget</u>	<u>Revenues Final Actual</u>	<u>Variance Revenues Actual vs. Original Budget</u>	<u>Variance Revenues Actual vs. Final Budget</u>
2023-2024	\$ 57,644,809	\$ 63,197,574	\$ 63,871,190	10.80%	1.07%
2022-2023	59,599,240	65,633,501	67,562,409	13.36%	2.94%
2021-2022	51,023,306	59,599,240	56,497,354	10.73%	-5.20%
2020-2021	45,369,264	52,884,198	53,215,294	17.29%	0.63%
2019-2020	45,876,206	46,577,293	50,112,401	9.23%	7.59%

General Fund Expenditures - 5-Year Comparison of Budget to Actual Results

<u>Fiscal Year</u>	<u>Expenditures Original Budget</u>	<u>Expenditures Final Budget</u>	<u>Expenditures Final Actual</u>	<u>Variance Expenditures Actual vs. Original Budget</u>	<u>Variance Expenditures Actual vs. Final Budget</u>
2023-2024	\$ 56,864,036	\$ 63,996,757	\$ 62,521,350	9.95%	-2.31%
2022-2023	57,806,073	64,775,279	67,689,188	17.10%	4.50%
2021-2022	48,159,644	57,807,173	58,336,150	21.13%	0.92%
2020-2021	46,680,589	50,039,786	50,406,079	7.98%	0.73%
2019-2020	49,035,897	50,439,127	49,071,308	0.07%	-2.71%

**Management’s Discussion and Analysis
For The Fiscal Year Ended June 30, 2024**

Original Budget vs. Final Budget Revision

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year.

The School District amends its budget as necessary during the school year. For the fiscal year June 30, 2024, the budget was amended in June 2024. The June 2024 budget amendment was the only amended and final budget for the fiscal year.

Revenue

Total revenues original budget	\$57,644,809	
Total revenues final budget	<u>63,197,574</u>	
Increase in budgeted revenues	<u>\$5,552,765</u>	<u>9.63%</u>

The School District’s actual General Fund revenues differed from the final amended budget by \$673,616, a variance of 1.1% from final budget.

Expenditures

The School District’s budget for expenditures changed as follows during the year:

Total expenditures original budget	\$56,864,036	
Total expenditures final budget	<u>63,996,757</u>	
Increase in budgeted expenditures	<u>\$ 7,132,721</u>	<u>12.54%</u>

The School District’s final actual General Fund expenditures were \$1,475,407 less than the final budget, a variance of 2.3%

Contacting the School District’s Financial Management

The financial report is intended to provide our citizens and taxpayers with a general overview of the School District’s finances. If you have questions about this report or would like additional information, contact the Finance Office, School District of the City of Wyandotte.

BASIC FINANCIAL STATEMENTS

School District of the City of Wyandotte
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash	\$ 12,430,389
Taxes receivable	64,816
Leases receivable	243,674
Due from other governmental units	18,011,947
Inventory	57,440
Investments	11
Prepaid items	4,892
Capital assets not being depreciated	1,204,689
Capital assets - net of accumulated depreciation	41,826,720
Net OPEB asset	2,280,446
Total assets	76,125,024
Deferred Outflows of Resources	
Deferred amount relating to the net pension liability	39,439,714
Deferred amount relating to the net OPEB asset	8,856,562
Total deferred outflows of resources	48,296,276
Liabilities	
Accounts payable	601,134
State aid anticipation note payable	432,143
Due to other governmental units	1,447,920
Payroll deductions and withholdings	2,495
Accrued expenditures	910,366
Accrued salaries payable	4,729,844
Unearned revenue	1,551,294
Long-term liabilities	
Net pension liability	132,968,254
Due within one year	6,120,831
Due in more than one year	33,235,699
Total liabilities	181,999,980

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Statement of Net Position
June 30, 2024

	Governmental Activities
Deferred Inflows of Resources	
Deferred amount on leases receivable	243,674
Deferred amount relating to the net pension liability	22,798,574
Deferred amount relating to the net OPEB asset	18,985,573
Total deferred inflows of resources	42,027,821
Net Position	
Net investment in capital assets	1,484,771
Restricted for	
Food service	593,086
Debt service	4,880,972
Capital projects	870,854
Net OPEB asset	2,280,446
Unrestricted	(109,716,630)
Total net position	\$ (99,606,501)

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Governmental activities				
Instruction	\$ 41,630,572	\$ -	\$ 38,340,645	\$ (3,289,927)
Supporting services	37,494,647	1,825,208	5,503,900	(30,165,539)
Food services	2,733,374	63,856	3,067,215	397,697
Community services	674,405	405,815	-	(268,590)
Interest and fiscal charges on long-term debt	1,476,112	-	-	(1,476,112)
Depreciation - unallocated	3,773,970	-	-	(3,773,970)
	<u>\$ 87,783,080</u>	<u>\$ 2,294,879</u>	<u>\$ 46,911,760</u>	<u>(38,576,441)</u>
Total governmental activities				
General revenues				
				4,314,247
				2,411,766
				1,091,657
				39,382,583
				1,784,237
				182,929
				<u>767,528</u>
				<u>49,934,947</u>
				11,358,506
				<u>(110,965,007)</u>
				<u>\$ (99,606,501)</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 7,184,984	\$ -	\$ 4,319,553	\$ 925,852	\$ 12,430,389
Taxes receivable	64,816	-	-	-	64,816
Leases receivable	243,674	-	-	-	243,674
Due from other funds	-	1,026,930	776,402	3,981,518	5,784,850
Due from other governmental units	15,399,040	765,183	-	41,222	16,205,445
Inventory	21,989	-	-	35,451	57,440
Investments	-	-	-	11	11
Prepaid items	4,892	-	-	-	4,892
	<u>22,919,395</u>	<u>1,792,113</u>	<u>5,095,955</u>	<u>4,984,054</u>	<u>34,791,517</u>
Total assets	<u>\$ 22,919,395</u>	<u>\$ 1,792,113</u>	<u>\$ 5,095,955</u>	<u>\$ 4,984,054</u>	<u>\$ 34,791,517</u>
Liabilities					
Accounts payable	\$ 385,147	\$ 58,699	\$ -	\$ 157,288	\$ 601,134
State aid anticipation note payable	432,143	-	-	-	432,143
Due to other funds	5,784,850	-	-	-	5,784,850
Due to other governmental units	1,447,920	-	-	-	1,447,920
Payroll deductions and withholdings	2,495	-	-	-	2,495
Accrued expenditures	31,172	2,977	-	-	34,149
Accrued salaries payable	2,979,896	1,730,437	-	19,511	4,729,844
Unearned revenue	1,526,616	-	-	24,678	1,551,294
	<u>12,590,239</u>	<u>1,792,113</u>	<u>-</u>	<u>201,477</u>	<u>14,583,829</u>
Total liabilities	<u>12,590,239</u>	<u>1,792,113</u>	<u>-</u>	<u>201,477</u>	<u>14,583,829</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Deferred Inflows of Resources					
Unavailable revenue					
Leases	243,674	-	-	-	243,674
Fund Balances					
Non-spendable					
Inventory	21,989	-	-	35,451	57,440
Prepaid items	4,892	-	-	-	4,892
Restricted for					
Food service	-	-	-	557,635	557,635
Debt service	-	-	5,095,955	-	5,095,955
Capital projects	-	-	-	870,854	870,854
Committed					
Student and school activities	-	-	-	925,852	925,852
Capital projects	-	-	-	2,392,785	2,392,785
Assigned for budgeted excess expenditures over revenues	543,272	-	-	-	543,272
Unassigned	9,515,329	-	-	-	9,515,329
Total fund balances	10,085,482	-	5,095,955	4,782,577	19,964,014
Total liabilities, deferred inflows of resources, and fund balances	\$ 22,919,395	\$ 1,792,113	\$ 5,095,955	\$ 4,984,054	\$ 34,791,517

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances for governmental funds	\$ 19,964,014
Total net position for governmental activities in the statement of net position is different because:	
Certain receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	
Due from other governmental units - Special Education Settlements	1,806,502
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	1,204,689
Capital assets - net of accumulated depreciation	41,826,720
Net OPEB asset is not recorded as an asset in the governmental funds	2,280,446
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from the net pension liability	39,439,714
Deferred outflows of resources resulting from the net OPEB asset	8,856,562
Deferred inflows of resources resulting from the net pension liability	(22,798,574)
Deferred inflows of resources resulting from the net OPEB asset	(18,985,573)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(214,983)
Incurred but not reported benefit claims	(661,234)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability	(132,968,254)
Compensated absences	(353,242)
Bonds payable	(38,057,085)
Other loans payable and liabilities	<u>(946,203)</u>
Net position of governmental activities	<u>\$ (99,606,501)</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	General Fund	Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources	\$ 5,767,414	\$ 177,372	\$ 2,487,827	\$ 2,423,517	\$ 10,856,130
State sources	50,207,598	13,618,095	-	459,973	64,285,666
Federal sources	3,690,681	-	-	2,607,242	6,297,923
Interdistrict sources	4,205,497	12,941,165	-	903,106	18,049,768
	<u>63,871,190</u>	<u>26,736,632</u>	<u>2,487,827</u>	<u>6,393,838</u>	<u>99,489,487</u>
Expenditures					
Current					
Education					
Instruction	35,364,689	10,675,029	-	-	46,039,718
Supporting services	23,225,595	16,926,983	-	1,225,772	41,378,350
Food services	-	-	-	3,081,787	3,081,787
Community services	790,543	-	-	-	790,543
Facilities acquisition	-	-	-	686,394	686,394
Capital outlay	2,168,462	-	-	-	2,168,462
Debt service					
Principal	776,271	-	1,305,000	-	2,081,271
Interest and other expenditures	195,790	-	1,381,650	-	1,577,440
	<u>62,521,350</u>	<u>27,602,012</u>	<u>2,686,650</u>	<u>4,993,953</u>	<u>97,803,965</u>
Excess (deficiency) of revenues over expenditures	<u>1,349,840</u>	<u>(865,380)</u>	<u>(198,823)</u>	<u>1,399,885</u>	<u>1,685,522</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	General Fund	Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)					
Proceeds from issuance of leases	142,913	-	-	-	142,913
Transfers in	130,378	865,380	296,714	177,452	1,469,924
Transfers out	(1,339,546)	-	-	(130,378)	(1,469,924)
 Total other financing sources (uses)	<u>(1,066,255)</u>	<u>865,380</u>	<u>296,714</u>	<u>47,074</u>	<u>142,913</u>
 Net change in fund balances	283,585	-	97,891	1,446,959	1,828,435
 Fund balances - beginning	<u>9,801,897</u>	<u>-</u>	<u>4,998,064</u>	<u>3,335,618</u>	<u>18,135,579</u>
 Fund balances - ending	<u>\$ 10,085,482</u>	<u>\$ -</u>	<u>\$ 5,095,955</u>	<u>\$ 4,782,577</u>	<u>\$ 19,964,014</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances - Total governmental funds	\$		1,828,435
Total change in net position reported for governmental activities in the statement of activities is different because:			
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.			
Special education grants			(345,419)
Operating grants			(2,482)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Depreciation and amortization expense			(3,773,970)
Capital outlay			2,537,861
Sale of capital assets (net book value)			(1,517)
Expenses are recorded when incurred in the statement of activities.			
Interest			13,334
Benefit claims			(19,246)
Compensated absences			(40,086)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.			
Net change in net pension liability			22,963,416
Net change in deferrals of resources related to the net pension liability			(20,696,467)
The statement of net position reports the net OPEB asset and deferred outflows of resources and deferred inflows related to the net OPEB asset and OPEB changes. However, the amount recorded on the governmental funds equals actual OPEB contributions.			
Net change in net OPEB asset			11,183,645
Net change in deferrals of resources related to the net OPEB asset			(4,315,350)
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.			
Debt issued			(142,913)
Repayments of long-term debt			2,081,271
Amortization of premiums			95,081
Amortization of deferred amount on debt refunding			(7,087)
Change in net position of governmental activities			\$ 11,358,506

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

District-wide Financial Statements

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

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

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

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

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

Fund Financial Statements

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

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

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2024

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

The School District reports the following major governmental funds:

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

Special Education Fund – The Special Education Fund reports the activity of the School District’s Center Program for Special Education of pupils from the nearby Wayne County-area. This program is partially funded from the Wayne County Act 18 tax revenues through the area intermediate school district, WCRESA. During the year ended June 30, 2024, the School District provided educational services to approximately 548 visually impaired, emotionally impaired and autistic impaired students. WCRESA's funding is reconciled against expenditures annually which results in a receivable from WCRESA or a payable to WCRESA. These settlements typically occur in 2-3 fiscal years and are included in the statement of net position as due to or due from other governmental units.

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

Additionally, the School District reports the following fund types:

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

District’s Special Revenue Fund includes the Cafeteria Fund and the Student and School Activity Fund.

Capital Projects Fund – The Building and Site Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The funds are kept open until the purpose for which the fund was created has been accomplished.

Sinking Fund - The Sinking Fund is used to record the sinking fund property tax levy and other revenue and the disbursement of invoices specifically for acquiring new school sites, construction, or repair of school buildings.

Assets, Liabilities and Net Position or Equity

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

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

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2024

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

General Fund	
Non-principal residence exemption	18.00000
Commercial personal property	6.00000
 Debt Service Funds	 3.50000
Sinking Fund	1.71900

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. All of the School District's tax roll lies within Wayne County.

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

Investments – Investments are stated at fair value.

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

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School

District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20 - 50 years
Equipment and furniture	5 - 20 years
Buses and other vehicles	5 - 15 years

Deferred Outflows of Resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities in the following year.

Compensated Absences – The liability for compensated absences reported in the district-wide statements consists of unpaid and accumulated vacation balances. The liability has been calculated using the vesting method, in which vacation amounts for both employees who are currently eligible to receive termination payments and other employees who expect to become eligible in the future to receive such payments upon termination are included.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2024

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

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

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

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

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

Fund Balance – In the fund financial statements, governmental funds report fund balance in the following categories:

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

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

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

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2024

Assigned – amounts intended to be used for specific purposes, as determined by the Board of Education or by an official or body to which the Board of Education delegates authority. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

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

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

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

Use of Estimates

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

Eliminations and Reclassifications

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

Adoption of New Accounting Standards

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

Upcoming Accounting and Reporting Changes

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

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

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

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2024

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

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

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

Excess of Expenditures over Appropriations

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Added needs	\$ 8,066,023	\$ 8,308,147	\$ 242,124
School administration	2,984,568	3,002,745	18,177
Community services	789,913	790,543	630
Capital outlay	2,123,963	2,168,462	44,499
Debt service	857,031	972,061	115,030
Transfers out	296,815	1,339,546	1,042,731
Special Education Fund			
Operations and maintenance	852,710	867,574	14,864

Compliance - Sinking Funds

The School District's Capital Project Fund records capital project activities funded with Sinking Fund millage. For this fund, the School District has complied with the applicable provisions of 1212 of the Revised School Code.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2024

Note 3 - Deposits and Investments

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

	Governmental Activities
Cash	\$ 12,430,389
Investments	11
	\$ 12,430,400

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

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$12,427,899
Investments in securities, mutual funds, and similar vehicles	11
Petty cash and cash on hand	2,490
Total	\$12,430,400

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

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

investment vehicles. The School District has no investment policy that would further limit its investment choices.

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

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year-end, \$12,783,765 of the School District's bank balance of \$13,694,033 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year end, all of the School District's investments of \$11 were exposed to custodial credit risk.

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

As of June 30, 2024, the net asset value of the School District's investment in MILAF + Portfolio was \$11. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the School District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustees may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is

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

Note 4 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,142,101	\$ -	\$ -	\$ 1,142,101
Construction-in-progress	<u>1,530,898</u>	<u>62,578</u>	<u>1,530,888</u>	<u>62,588</u>
Total capital assets not being depreciated	<u>2,672,999</u>	<u>62,578</u>	<u>1,530,888</u>	<u>1,204,689</u>
Capital assets being depreciated				
Buildings and additions	95,752,079	1,054,812	-	96,806,891
Equipment and furniture	20,571,538	2,808,446	642,096	22,737,888
Buses and other vehicles	584,622	-	-	584,622
Right to use asset - buildings and additions	140,401	142,913	-	283,314
Right to use asset - equipment and furniture	<u>1,176,900</u>	<u>-</u>	<u>-</u>	<u>1,176,900</u>
Total capital assets being depreciated	<u>118,225,540</u>	<u>4,006,171</u>	<u>642,096</u>	<u>121,589,615</u>
Less accumulated depreciation for				
Buildings and additions	58,728,704	2,330,319	-	61,059,023
Equipment and furniture	17,263,329	1,119,435	640,579	17,742,185
Buses and other vehicles	426,629	31,790	-	458,419
Right to use asset - buildings and additions	260	56,403	-	56,663
Right to use asset - equipment and furniture	<u>210,582</u>	<u>236,023</u>	<u>-</u>	<u>446,605</u>
Total accumulated depreciation	<u>76,629,504</u>	<u>3,773,970</u>	<u>640,579</u>	<u>79,762,895</u>
Net capital assets being depreciated	<u>41,596,036</u>	<u>232,201</u>	<u>1,517</u>	<u>41,826,720</u>
Net capital assets	<u>\$ 44,269,035</u>	<u>\$ 294,779</u>	<u>\$ 1,532,405</u>	<u>\$ 43,031,409</u>

Depreciation expense was not charged to activities, as the School District considers its assets to impact multiple activities and allocation is not practical.

Construction Commitments

The School District has active construction projects at year end. The School District's commitments with contractors are as follows:

	Total Contract	Remaining Construction Commitment at Year End
Wilson athletic field upgrades	\$ 1,025,948	\$ 1,005,842
The Lincoln Center addition	<u>867,472</u>	<u>825,000</u>
Total	<u>\$ 1,893,420</u>	<u>\$ 1,830,842</u>

Note 5 - Interfund Receivable and Payable and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 3,981,518
General Fund	Debt Service Fund	776,402
General Fund	Special Education Fund	<u>1,026,930</u>
		<u>\$ 5,784,850</u>

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

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Management does not anticipate individual interfund balances caused by the time lag of payments to remain outstanding for periods in excess of one year.

Interfund transfers consist of the following:

	Transfers Out		
	General Fund	Nonmajor Governmental Funds	Total
<u>Transfers in</u>			
General Fund	\$ -	\$ 130,378	\$ 130,378
Special Education Fund	865,380	-	865,380
Debt Service Fund	296,714	-	296,714
Nonmajor governmental funds	<u>177,452</u>	<u>-</u>	<u>177,452</u>
	<u>\$ 1,339,546</u>	<u>\$ 130,378</u>	<u>\$ 1,469,924</u>

Transfers out of the General Fund to the Debt Service Fund, Special Education Fund and Nonmajor Governmental Funds were made to cover the costs of the School District programs that were in excess of revenues generated for those activities. Transfers out of Nonmajor governmental funds to the General Fund were to cover sinking fund eligible costs incurred and paid by the General Fund.

Note 6 - Leases

Lease Liability

The School District leases various office equipment under lease terms ranging from 3 to 5 years. The School District also leases a building under a 5 year lease. As of June 30, 2024, the value of the future required annual principal and interest payments are as follows:

Year ending June 30,	Principal	Interest
2025	\$ 281,288	\$ 51,191
2026	296,300	34,674
2027	312,606	17,294
2028	<u>56,009</u>	<u>2,077</u>
Total	<u>\$ 946,203</u>	<u>\$ 105,236</u>

Note 7 - Unearned Revenue

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

Food service deposits	\$ 24,678
Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>1,526,616</u>
Total	<u>\$ 1,551,294</u>

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Note 8 - State Aid Anticipation Note

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

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

	Beginning Balance	Proceeds	Repayments	Ending Balance
State aid anticipation note	\$ <u>359,382</u>	<u>\$3,025,000</u>	<u>\$2,952,239</u>	<u>\$ 432,143</u>

The state aid anticipation note agreement includes an irrevocable set-aside of \$2,675,343 at year end that is considered defeased debt and not included in the ending balance.

Note 9 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to qualified bonds. Other long-term obligations include compensated absences, claims and judgments, and certain risk liabilities.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and notes payable					
General obligation bonds	\$ 38,250,715	\$ -	\$ 1,810,000	\$ 36,440,715	\$ 5,820,715
Premium on bonds	<u>1,711,451</u>	<u>-</u>	<u>95,081</u>	<u>1,616,370</u>	<u>-</u>
Total bonds payable	<u>39,962,166</u>	<u>-</u>	<u>1,905,081</u>	<u>38,057,085</u>	<u>5,820,715</u>
Other liabilities					
Leases	1,074,561	142,913	271,271	946,203	281,288
Compensated absences	<u>313,156</u>	<u>74,838</u>	<u>34,752</u>	<u>353,242</u>	<u>18,828</u>
Total other liabilities	<u>1,387,717</u>	<u>217,751</u>	<u>306,023</u>	<u>1,299,445</u>	<u>300,116</u>
Total	<u>\$41,349,883</u>	<u>\$217,751</u>	<u>\$2,211,104</u>	<u>\$39,356,530</u>	<u>\$6,120,831</u>

For governmental activities, compensated absences, retiree life insurance benefits, retirement incentives, and leases are primarily liquidated by the General Fund.

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

2009 School Improvement Bond is due in full on August 24, 2025. Installments of \$296,714 are required to be set-aside annually to provide for the total principal payment when due. Interest rate is 0.125%	\$ 4,450,715
2015 School Building and Site Bonds are due in annual installments of \$1,370,000 - \$2,560,000 through May 1, 2041, interest at 2.75% to 5.00%.	<u>31,990,000</u>
Total general obligation bonded debt	<u>\$36,440,715</u>

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

<u>Year Ending June 30,</u>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 5,820,715	\$ 1,317,482
2026	1,440,000	1,247,900
2027	1,510,000	1,175,900
2028	1,550,000	1,134,375
2029	1,600,000	1,087,875
2030-2034	8,845,000	4,587,349
2035-2039	10,680,000	2,749,738
2040-2044	4,995,000	377,750
Total	<u>\$36,440,715</u>	<u>\$13,678,369</u>

The general obligation bonds are payable from the Debt Service Funds. As of year-end, the fund had a balance \$5,095,955 to pay this debt. Future debt and interest will be payable from future tax levies. Interest expenditures for the fiscal year were \$1,577,440.

Mandatory Sinking Fund – 2009 School Improvement Bonds

To ensure that sufficient money will be available to pay the principal of the 2009 School Improvement Bonds at maturity, the School District shall annually deposit cash into a mandatory sinking fund held by a bank or trust company eligible in the State of Michigan to hold such funds for the Bonds (the "Mandatory Sinking Fund"). Such annual deposited amounts required August 25 of each year shall, when combined with any earnings on monies held in the Mandatory Sinking Fund that have been earned since the previous deposit date, be sufficient as of August of the given year to equal the annual sinking fund deposit. The annual deposit into the Mandatory Sinking Fund shall be made annually and transferred from the General Fund to the Debt Service fund to be maintained in the Mandatory Sinking Fund. Such monies shall be used to repay the principal of the Bonds at maturity in the year 2025.

The cumulative cash payments are held in the Debt Service Fund. Cash accumulated for the bond payments at June 30, 2024 was \$5,095,955.

Compensated Absences

Accrued compensated absences at year end consists of \$308,242 of vacation hours earned and vested. The entire vested amount is considered long-term as the amount expended each year is expected to be offset by sick time earned for the year. Additionally, the School District has \$45,000 of retiree benefits payable to those who qualified.

Note 10 - Risk Management

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

The School District is self-insured for health benefits paid on behalf of its employees. Payments are made to the insurance administrator each week based on actual claims and administration fees. The plan provides a stop-loss provision of \$100,000 per employee. For governmental activities, the liability for health benefits is primarily liquidated by the General Fund.

Change in estimated liability for claims for health benefits for the year is as follows:

	<u>2024</u>	<u>2023</u>
Estimated liability at the beginning of the year	\$ 641,988	\$ 665,942
Estimated claims incurred including changes in estimates	9,309,530	8,009,612
Claim payments	<u>(9,290,284)</u>	<u>(8,033,566)</u>
Estimated liability at the end of the year	<u>\$ 661,234</u>	<u>\$ 641,988</u>

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The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse the Employment Commission for all benefits charged against the School District. The School District did not pay any significant unemployment compensation expense for the year. No provision has been made for possible future claims.

Note 11 - Pension Plan

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 governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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

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

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

Benefits Provided

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

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

Contributions

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

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

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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 plan year ended September 30, 2023.

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

Required contributions to the pension plan from the School District were \$14,806,631 for the year ending September 30, 2023.

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

At June 30, 2024, the School District reported a liability of \$132,968,254 for its proportionate share of the MPERS 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 0.4108 percent, which was an decrease of 0.0038 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized pension expense of \$17,233,617 for the measurement

period. For the reporting period ending June 30, 2024, the School District recognized total pension contribution expense of \$16,611,427.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 4,197,402	\$ (203,686)	\$ 3,993,716
Changes of assumptions	18,017,804	(10,388,656)	7,629,148
Net difference between projected and actual earnings on pension plan investments	-	(2,720,961)	(2,720,961)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>1,887,754</u>	<u>(1,525,349)</u>	<u>362,405</u>
Total to be recognized in future	24,102,960	(14,838,652)	9,264,308
School District contributions subsequent to the measurement date	<u>15,336,754</u>	<u>(7,959,922)</u>	<u>7,376,832</u>
Total	<u>\$39,439,714</u>	<u>\$ (22,798,574)</u>	<u>\$16,641,140</u>

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

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outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2024	\$ 3,275,931
2025	2,338,917
2026	5,728,802
2027	<u>(2,079,342)</u>
	<u>\$ 9,264,308</u>

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2022
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans: 6.00% net of investment expenses
 - Pension Plus Plan: 6.00% net of investment expenses
 - Pension Plus 2 Plan: 6.00% net of investment expenses

- Projected Salary Increases: 2.75 - 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
 - Retirees: PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Employee Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

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

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

Recognition period for assets is 5 years.

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

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-

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term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023, are summarized in the following table:

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

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

Rate of Return

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

Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount

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

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

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

1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
<u>\$ 179,639,722</u>	<u>\$ 132,968,254</u>	<u>\$ 94,112,570</u>

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

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

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

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

Note 12 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

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

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

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

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

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of

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

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expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions

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

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

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

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

Required contributions to the OPEB plan from the School District were \$3,140,290 for the year ended September 30, 2023.

OPEB 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 \$2,280,446 for its proportionate share of the MPSERS net OPEB liability. The net OPEB asset was measured as of September 30, 2023, and the total OPEB asset used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2022. The School District's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2023, the School District's proportion was 0.4031 percent, which was an decrease of 0.0172 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized OPEB expense of \$(3,775,933) for the measurement period. For the reporting period ending June 30, 2024, the School District recognized total OPEB contribution expense of \$3,277,508.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2024

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$(17,232,222)	\$(17,232,222)
Changes of assumptions	5,076,671	(611,327)	4,465,344
Net difference between projected and actual earnings on OPEB plan investments	6,953	-	6,953
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>1,024,494</u>	<u>(1,142,024)</u>	<u>(117,530)</u>
Total to be recognized in future	6,108,118	(18,985,573)	(12,877,455)
School District contributions subsequent to the measurement date	<u>2,748,444</u>	<u>-</u>	<u>2,748,444</u>
Total	<u>\$ 8,856,562</u>	<u>\$(18,985,573)</u>	<u>\$(10,129,011)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as an addition of the net OPEB asset in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred

inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
2024	\$ (4,126,673)
2025	(3,847,418)
2026	(1,578,490)
2027	(1,445,351)
2028	(1,231,818)
Thereafter	<u>(647,705)</u>
	<u>\$(12,877,455)</u>

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2022
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: Pre-65: 7.50% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65: 6.25% Year 1 graded to 3.5% Year 15;

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2024

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

Other Assumptions:

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

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

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

Recognition period for assets is 5 years.

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

Long-Term Expected Return on Plan Assets

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

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

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

Rate of Return

For the plan year ended September 30, 2023, the annual money-weighted rate of return on 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.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2024

Discount Rate

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

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

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

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
\$ 2,364,138	\$ (2,280,446)	\$ (6,272,010)

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

The following presents the School District's proportionate share of the net OPEB liability or asset calculated using assumed trend rates, as well as what the School District's proportionate share of net OPEB liability or

asset would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ (6,281,963)	\$ (2,280,446)	\$ 2,050,506

OPEB Plan Fiduciary Net Position

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

Payables to the OPEB Plan

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

Note 13 - Contingent Liabilities

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

Note 14 - Tax Abatements

The School District receives reduced property tax revenues as a result of building and employment expansion exemptions granted by the City of Wyandotte.

For the fiscal year ended June 30, 2024, the School District's property tax revenues were reduced by \$192,508 under these programs.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2024

Note 15 - Changes Within the Reporting Entity

During the year ended June 30, 2024, the School District changed the reporting for a nonmajor governmental fund. The Josephine Brighton Work Skills Center Fund, previously a nonmajor fund, was combined with the Madison Special Education Fund, previously a major governmental fund. The funds are now reported as the Special Education Fund. Beginning major and nonmajor governmental fund balances are unchanged from this combination.

REQUIRED SUPPLEMENTARY INFORMATION

School District of the City of Wyandotte
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
Revenues				
Local sources	\$ 4,940,100	\$ 5,272,000	\$ 5,767,414	\$ 495,414
State sources	45,011,112	50,049,047	50,207,598	158,551
Federal sources	4,169,154	3,655,383	3,690,681	35,298
Interdistrict sources	3,524,443	4,221,144	4,205,497	(15,647)
Total revenues	57,644,809	63,197,574	63,871,190	673,616
Expenditures				
Instruction				
Basic programs	25,802,573	27,115,813	27,056,542	(59,271)
Added needs	6,858,869	8,066,023	8,308,147	242,124
Supporting services				
Pupil	3,564,031	4,291,411	4,210,934	(80,477)
Instructional staff	1,986,515	2,512,033	2,408,545	(103,488)
General administration	835,945	641,533	604,602	(36,931)
School administration	2,704,710	2,984,568	3,002,745	18,177
Business	953,100	1,004,651	1,002,375	(2,276)
Operations and maintenance	6,619,610	7,715,871	7,405,799	(310,072)
Pupil transportation services	1,262,493	1,658,716	1,620,525	(38,191)
Central	2,851,092	3,017,940	1,773,015	(1,244,925)
Athletic activities	1,049,561	1,217,291	1,197,055	(20,236)
Community services	483,109	789,913	790,543	630
Capital outlay	1,045,047	2,123,963	2,168,462	44,499
Debt service				
Principal	723,155	733,155	776,271	43,116
Interest and fiscal charges	124,226	123,876	195,790	71,914
Total expenditures	56,864,036	63,996,757	62,521,350	(1,475,407)
Excess (deficiency) of revenues over expenditures	780,773	(799,183)	1,349,840	2,149,023

School District of the City of Wyandotte
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Proceeds from issuance of leases	247,274	-	142,913	142,913
Transfers in	-	129,351	130,378	1,027
Transfers out	(13,232)	(296,815)	(1,339,546)	1,042,731
	<u>234,042</u>	<u>(167,464)</u>	<u>(1,066,255)</u>	<u>898,791</u>
Total other financing sources (uses)				
Net change in fund balances	1,014,815	(966,647)	283,585	1,250,232
Fund balance - beginning	<u>9,801,897</u>	<u>9,801,897</u>	<u>9,801,897</u>	<u>-</u>
Fund balance - ending	<u>\$ 10,816,712</u>	<u>\$ 8,835,250</u>	<u>\$ 10,085,482</u>	<u>\$ 1,250,232</u>

School District of the City of Wyandotte
Required Supplementary Information
Budgetary Comparison Schedule - Special Education Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Revenues				
Local sources	\$ 103,231	\$ 177,375	\$ 177,372	\$ (3)
State sources	11,507,077	15,016,557	13,618,095	(1,398,462)
Interdistrict sources	<u>16,185,594</u>	<u>13,285,518</u>	<u>12,941,165</u>	<u>(344,353)</u>
Total revenues	<u>27,795,902</u>	<u>28,479,450</u>	<u>26,736,632</u>	<u>(1,742,818)</u>
Expenditures				
Instruction				
Added needs	9,326,667	10,968,875	10,675,029	(293,846)
Supporting services				
Pupil	12,334,061	14,372,340	14,095,865	(276,475)
Instructional staff	532,453	343,750	306,044	(37,706)
General administration	-	1,000	-	(1,000)
School administration	1,207,532	1,557,978	1,508,009	(49,969)
Operations and maintenance	858,710	852,710	867,574	14,864
Pupil transportation services	214,025	195,354	143,018	(52,336)
Central	<u>18,188</u>	<u>10,068</u>	<u>6,473</u>	<u>(3,595)</u>
Total expenditures	<u>24,491,636</u>	<u>28,302,075</u>	<u>27,602,012</u>	<u>(700,063)</u>
Excess (deficiency) of revenues over expenditures	<u>3,304,266</u>	<u>177,375</u>	<u>(865,380)</u>	<u>(1,042,755)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	865,380	865,380
Transfers out	<u>(3,304,266)</u>	<u>(177,375)</u>	<u>-</u>	<u>(177,375)</u>
Total other financing sources (uses)	<u>(3,304,266)</u>	<u>(177,375)</u>	<u>865,380</u>	<u>1,042,755</u>
Net change in fund balances	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of net pension liability (%)	0.4108%	0.4146%	0.4036%	0.4047%	0.4007%	0.3954%	0.3862%	0.3765%	0.3785%	0.3661%
B. School District's proportionate share of net pension liability	\$ 132,968,254	\$ 155,931,670	\$ 95,564,813	\$ 139,026,282	\$ 132,699,815	\$ 118,863,617	\$ 100,074,318	\$ 93,930,828	\$ 92,441,069	\$ 80,638,167
C. School District's covered payroll	\$ 40,288,916	\$ 40,844,314	\$ 36,203,352	\$ 36,091,963	\$ 34,963,075	\$ 34,122,697	\$ 32,675,622	\$ 31,644,105	\$ 31,495,551	\$ 31,406,574
D. School District's proportionate share of net pension liability as a percentage of its covered payroll	330.04%	381.77%	263.97%	385.20%	379.54%	348.34%	306.27%	296.84%	293.51%	256.76%
E. Plan fiduciary net position as a percentage of total pension liability	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

Note Disclosures

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

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

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

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 16,611,427	\$ 14,944,295	\$ 13,800,635	\$ 11,928,062	\$ 10,918,225	\$ 10,623,188	\$ 9,965,958	\$ 6,151,810	\$ 6,069,988	\$ 5,786,416
B. Contributions in relation to statutorily required contributions	<u>16,611,427</u>	<u>14,944,295</u>	<u>13,800,635</u>	<u>11,928,062</u>	<u>10,918,225</u>	<u>10,623,188</u>	<u>9,965,958</u>	<u>6,151,810</u>	<u>6,069,988</u>	<u>5,786,416</u>
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
D. School Districts's covered payroll	\$ 42,042,654	\$ 39,976,969	\$ 38,488,676	\$ 35,003,613	\$ 36,253,984	\$ 34,639,517	\$ 33,946,980	\$ 32,620,710	\$ 31,416,733	\$ 31,897,628
E. Contributions as a percentage of covered payroll	39.51%	37.38%	35.86%	34.08%	30.12%	30.67%	29.36%	18.86%	19.32%	18.14%

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

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of the net OPEB liability (asset) (%)	0.4031%	0.4203%	0.4004%	0.4070%	0.4000%	0.4009%	38.4700%			
B. School District's proportionate share of the net OPEB liability (asset)	\$ (2,280,446)	\$ 8,903,199	\$ 6,112,131	\$ 21,806,447	\$ 28,709,049	\$ 31,866,071	\$ 34,067,387			
C. School District's covered payroll	\$ 40,288,916	\$ 40,844,314	\$ 36,203,352	\$ 36,091,963	\$ 34,963,075	\$ 34,122,697	\$ 32,675,622			
D. School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-5.66%	21.80%	16.88%	60.42%	82.11%	93.39%	104.26%			
E. Plan fiduciary net position as a percentage of total OPEB liability (asset)	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%			

Note Disclosures

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

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

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

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 3,277,508	\$ 3,195,583	\$ 3,098,047	\$ 2,882,592	\$ 2,795,208	\$ 2,731,824	\$ 2,502,965			
B. Contributions in relation to statutorily required contributions	<u>3,277,508</u>	<u>3,195,583</u>	<u>3,098,047</u>	<u>2,882,592</u>	<u>2,795,208</u>	<u>2,731,824</u>	<u>2,502,965</u>			
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
D. School Districts's covered payroll	\$ 42,042,654	\$ 39,976,969	\$ 38,488,676	\$ 35,003,613	\$ 36,253,984	\$ 34,639,517	\$ 33,946,980			
E. Contributions as a percentage of covered payroll	7.80%	7.99%	8.05%	8.24%	7.71%	7.89%	7.37%			

OTHER SUPPLEMENTARY INFORMATION

School District of the City of Wyandotte
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2024

	Special Revenue Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
	Cafeteria Fund	Student and School Activity Fund	Building and Site Fund	Sinking Fund	
Assets					
Cash	\$ -	\$ 925,852	\$ -	\$ -	\$ 925,852
Due from other funds	664,036	-	2,430,128	887,354	3,981,518
Due from other governmental units	41,222	-	-	-	41,222
Inventory	35,451	-	-	-	35,451
Investments	-	-	11	-	11
Total assets	<u>\$ 740,709</u>	<u>\$ 925,852</u>	<u>\$ 2,430,139</u>	<u>\$ 887,354</u>	<u>\$ 4,984,054</u>
Liabilities					
Accounts payable	\$ 103,434	\$ -	\$ 37,354	\$ 16,500	\$ 157,288
Accrued salaries payable	19,511	-	-	-	19,511
Unearned revenue	24,678	-	-	-	24,678
Total liabilities	<u>147,623</u>	<u>-</u>	<u>37,354</u>	<u>16,500</u>	<u>201,477</u>
Fund Balances					
Non-spendable					
Inventory	35,451	-	-	-	35,451
Restricted for					
Food service	557,635	-	-	-	557,635
Capital projects	-	-	-	870,854	870,854
Committed					
Student and school activities	-	925,852	-	-	925,852
Capital projects	-	-	2,392,785	-	2,392,785
Total fund balances	<u>593,086</u>	<u>925,852</u>	<u>2,392,785</u>	<u>870,854</u>	<u>4,782,577</u>
Total liabilities and fund balances	<u>\$ 740,709</u>	<u>\$ 925,852</u>	<u>\$ 2,430,139</u>	<u>\$ 887,354</u>	<u>\$ 4,984,054</u>

School District of the City of Wyandotte
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Cafeteria Fund</u>	<u>Student and School Activity Fund</u>	<u>Building and Site Fund</u>	<u>Sinking Fund</u>	
Revenues					
Local sources	\$ 63,856	\$ 1,265,430	\$ -	\$ 1,094,231	\$ 2,423,517
State sources	459,973	-	-	-	459,973
Federal sources	2,607,242	-	-	-	2,607,242
Interdistrict sources	-	-	903,106	-	903,106
	<u>3,131,071</u>	<u>1,265,430</u>	<u>903,106</u>	<u>1,094,231</u>	<u>6,393,838</u>
Total revenues					
	<u>3,131,071</u>	<u>1,265,430</u>	<u>903,106</u>	<u>1,094,231</u>	<u>6,393,838</u>
Expenditures					
Current					
Education					
Supporting services	-	1,225,772	-	-	1,225,772
Food services	3,081,787	-	-	-	3,081,787
Facilities acquisition	-	-	593,395	92,999	686,394
	<u>-</u>	<u>-</u>	<u>593,395</u>	<u>92,999</u>	<u>686,394</u>
Total expenditures	<u>3,081,787</u>	<u>1,225,772</u>	<u>593,395</u>	<u>92,999</u>	<u>4,993,953</u>
Excess (deficiency) of revenues over expenditures	<u>49,284</u>	<u>39,658</u>	<u>309,711</u>	<u>1,001,232</u>	<u>1,399,885</u>
Other Financing Sources (Uses)					
Transfers in	77	-	177,375	-	177,452
Transfers out	-	-	-	(130,378)	(130,378)
	<u>77</u>	<u>-</u>	<u>177,375</u>	<u>(130,378)</u>	<u>47,074</u>
Total other financing sources (uses)	<u>77</u>	<u>-</u>	<u>177,375</u>	<u>(130,378)</u>	<u>47,074</u>
Net change in fund balances	49,361	39,658	487,086	870,854	1,446,959
Fund balances - beginning	<u>543,725</u>	<u>886,194</u>	<u>1,905,699</u>	<u>-</u>	<u>3,335,618</u>
Fund balances - ending	<u>\$ 593,086</u>	<u>\$ 925,852</u>	<u>\$ 2,392,785</u>	<u>\$ 870,854</u>	<u>\$ 4,782,577</u>

School District of the City of Wyandotte
Other Supplementary Information
General Fund
Comparative Balance Sheet
June 30, 2024

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 7,184,984	\$ 6,169,454
Taxes receivable	64,816	25,339
Leases receivable	243,674	-
Due from other governmental units	15,399,040	15,047,770
Inventory	21,989	10,153
Prepaid items	<u>4,892</u>	<u>6,429</u>
Total assets	<u>\$ 22,919,395</u>	<u>\$ 21,259,145</u>
Liabilities		
Accounts payable	\$ 385,147	\$ 673,175
State aid anticipation note payable	432,143	359,382
Due to other funds	5,784,850	5,927,872
Due to other governmental units	1,447,920	1,540,297
Payroll deductions and withholdings	2,495	-
Accrued expenditures	31,172	7,080
Accrued salaries payable	2,979,896	2,770,412
Unearned revenue	<u>1,526,616</u>	<u>176,548</u>
Total liabilities	<u>12,590,239</u>	<u>11,454,766</u>
Deferred Inflows of Resources		
Unavailable revenue		
Grants received	<u>243,674</u>	<u>2,482</u>

School District of the City of Wyandotte
Other Supplementary Information
General Fund
Comparative Balance Sheet
June 30, 2024

	2024	2023
Fund Balances		
Non-spendable		
Inventory	21,989	10,153
Prepaid items	4,892	6,429
Assigned for budgeted excess expenditures over revenues	543,272	-
Unassigned	9,515,329	9,785,315
Total fund balances	10,085,482	9,801,897
Total liabilities, deferred inflows of resources, and fund balances	\$ 22,919,395	\$ 21,259,145

School District of the City of Wyandotte

Single Audit

June 30, 2024



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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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*

Independent Auditors' Report

Management and the Board of Education
School District of the City of Wyandotte
Wyandotte, MI

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 School District of the City of Wyandotte, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise School District of the City of Wyandotte's basic financial statements, and have issued our report thereon dated October 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered School District of the City of Wyandotte's 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of School District of the City of Wyandotte's internal control. Accordingly, we do not express an opinion on the effectiveness of School District of the City of Wyandotte's 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 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 School District of the City of Wyandotte's 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 an 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yeo & Yeo, P.C.

Ann Arbor, MI
October 24, 2024

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Management and the Board of Education
School District of the City of Wyandotte
Wyandotte, MI

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited School District of the City of Wyandotte's 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 School District of the City of Wyandotte's major federal programs for the year ended June 30, 2024. School District of the City of Wyandotte's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, School District of the City of Wyandotte complied, in all material respects, with the 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 (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of School District of the City of Wyandotte 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 School District of the City of Wyandotte's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or agreements applicable to School District of the City of Wyandotte's federal programs.

Auditors' 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 School District of the City of Wyandotte's 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 GAAS, *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 School District of the City of Wyandotte's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government 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 School District of the City of Wyandotte's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District of the City of Wyandotte's 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 School District of the City of Wyandotte's 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 Auditors' 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District of the City of Wyandotte, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise School District of the City of Wyandotte's basic financial statements. We issued our report thereon dated October 24, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Ann Arbor, MI
October 24, 2024

School District of the City of Wyandotte
Schedule of Expenditures of Federal Awards
June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance List Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2024
U.S. Department of Agriculture							
Child Nutrition Cluster							
Passed through Michigan Department of Education							
Non-cash assistance (commodities)							
National School Lunch Program							
Entitlement Commodities	10.555	\$ 227,798	\$ -	\$ -	\$ 227,798	\$ 227,798	\$ -
Entitlement Commodities - Bonus	10.555	838	-	-	838	838	-
			-	-	228,636	228,636	-
Cash assistance							
School Breakfast Program							
231970 Breakfast Program	10.553	377,515	-	330,741	46,774	46,774	-
241970 Breakfast Program	10.553	389,679	-	-	389,679	380,550	9,129
			-	330,741	436,453	427,324	9,129
National School Lunch Program							
231960 Lunch Program	10.555	1,661,555	-	1,451,669	209,886	209,886	-
240910 Supply Chain Assistance	10.555	192,883	-	-	192,883	192,883	-
241960 Lunch Program	10.555	1,502,867	-	-	1,502,867	1,474,719	28,148
			-	1,451,669	1,905,636	1,877,488	28,148
Summer Food Service Program for Children							
230900 Extended SFSP	10.559	42,015	3,044	22,634	19,381	22,425	-
240900 Extended SFSP	10.559	3,629	-	-	3,629	-	3,629
			3,044	22,634	23,010	22,425	3,629
Total Child Nutrition Cluster			3,044	1,805,044	2,593,735	2,555,873	40,906
Passed through Michigan Department of Education							
Child and Adult Care Food Program							
231920 CACFP Meals	10.558	9,966	308	8,390	1,576	1,884	-
232010 CACFP Meals	10.558	59	-	-	59	59	-
241920 CACFP Meals	10.558	258	-	-	11,266	10,970	296
242010 CACFP Meals	10.558	8,390	-	-	606	586	20
			308	8,390	13,507	13,499	316
Total U.S. Department of Agriculture			3,352	1,813,434	2,607,242	2,569,372	41,222

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

School District of the City of Wyandotte
Schedule of Expenditures of Federal Awards
June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance List Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2024
U.S. Department of Education							
Special Education Cluster							
Passed through Marquette-Alger Regional Educational Service Agency							
230470/2D33 SPP	84.027A	39,360	-	24,512	14,848	14,848	-
240470/2D33 SPP	84.027A	14,656	-	-	14,656	14,656	-
			-	24,512	29,504	29,504	-
Passed through Wayne County Regional Education Service Agency							
230450 2223 Special Education - Grants to States	84.027	2,380,952	287,440	2,380,952	-	287,440	-
240450 2324 Special Education - Grants to States	84.027	2,475,264	-	-	2,475,264	-	2,475,264
			287,440	2,380,952	2,475,264	287,440	2,475,264
Passed through Wayne County Regional Education Service Agency							
230460 2223 Special Education - Preschool Grants	84.173	78,508	7,502	51,354	-	7,502	-
230460 2324 Special Education - Preschool Grants	84.173	67,311	-	-	67,311	-	67,311
			7,502	51,354	67,311	7,502	67,311
Total Special Education Cluster			294,942	2,456,818	2,572,079	324,446	2,542,575
Title I							
Passed through Michigan Department of Education							
231530 2223 Title I Grants to Local Education Agencies	84.010	634,729	634,729	634,729	-	634,729	-
241530 2324 Title I Grants to Local Education Agencies	84.010	596,693	-	-	591,507	350,000	241,507
			634,729	634,729	591,507	984,729	241,507
Title II							
Passed through Michigan Department of Education							
230520 2223 Improving Teacher Quality State Grants	84.367	115,168	58,625	58,625	42,992	101,617	-
240520 2324 Improving Teacher Quality State Grants	84.367	102,161	-	-	96,346	45,000	51,346
			58,625	58,625	139,338	146,617	51,346
Title III							
Passed through Michigan Department of Education							
240570 2324 English Language Acquisition State Grants	84.365	2,703	-	-	847	-	847
Title IV							
Passed through Michigan Department of Education							
230750 2223 Student Support and Academic Enrichment	84.424A	41,585	41,585	41,585	-	41,585	-
240750 2324 Student Support and Academic Enrichment	84.424A	48,973	-	-	35,383	2,500	32,883
			41,585	41,585	35,383	44,085	32,883

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

School District of the City of Wyandotte
Schedule of Expenditures of Federal Awards
June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance List Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2024
Education Stabilization Fund							
Passed through Michigan Department of Education							
Elementary and Secondary School Emergency Relief							
COVID19 - 213712 2021 ESSER II							
	84.425D	1,954,550	<u>92,328</u>	<u>1,954,550</u>	-	<u>92,328</u>	-
Passed through Michigan Department of Education							
American Rescue Plan Elementary and Secondary School							
Emergency Relief (ARP ESSER) Fund							
COVID19 - 213713 2022 ESSER III							
	84.425U	4,392,763	1,961,963	4,161,963	230,800	2,051,693	141,070
COVID19 - 213723 2023 11t							
	84.425U	714,542	<u>396,077</u>	<u>696,077</u>	<u>18,465</u>	<u>414,542</u>	-
			<u>2,358,040</u>	<u>4,858,040</u>	<u>249,265</u>	<u>2,466,235</u>	<u>141,070</u>
Passed through Michigan Department of Education							
Homeless Children & Youth American Rescue Plan (ARP) Homeless II							
COVID19 - 211012 2122 MV ARP Homeless II							
	84.425W	25,106	-	-	<u>24,106</u>	-	<u>24,106</u>
Total Education Stabilization Fund							
			<u>2,450,368</u>	<u>6,812,590</u>	<u>273,371</u>	<u>2,558,563</u>	<u>165,176</u>
Total U.S. Department of Education							
			<u>3,480,249</u>	<u>10,004,347</u>	<u>3,612,525</u>	<u>4,058,440</u>	<u>3,034,334</u>
U.S. Department of Health and Human Services							
Medicaid Cluster							
Medicaid Assistance Program							
	93.778	75,675	-	-	<u>75,674</u>	<u>56,492</u>	<u>19,182</u>
Total federal programs							
			<u>\$ 3,483,601</u>	<u>\$ 11,817,781</u>	<u>\$ 6,295,441</u>	<u>\$ 6,684,304</u>	<u>\$ 3,094,738</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

School District of the City of Wyandotte
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of School District of the City of Wyandotte 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 School District of the City of Wyandotte, it is not intended to and does not present the financial position, changes in net assets, or cash flows of School District of the City of Wyandotte.

Note 2 - Summary of Significant Accounting Policies

Expenditures

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 where certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

School District of the City of Wyandotte has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Reconciliation to the Financial Statements

The federal revenues reported on the financial statements reconcile with expenditures reported on the schedule of expenditures of federal awards as shown:

Expenditures per the schedule of expenditures of federal awards	\$ 6,295,441
Plus ESSER II funds received not included as revenue in prior year	<u>2,482</u>
Federal revenues per the financial statements	<u>\$ 6,297,923</u>

Note 4 - Subrecipients

No amounts were provided to subrecipients.

Note 5 - Michigan Department of Education Disclosures

The federal amounts reported on the grant auditor report agree with the schedule of expenditures of federal awards.

The amounts reported on the recipient entitlement balance report agree with the schedule of expenditures of federal awards for U.S.D.A. donated food commodities.

**School District of the City of Wyandotte
Schedule of Findings and Questioned Costs
June 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes ___X___ no
- Significant deficiency(ies) identified? _____ yes ___X___ none reported

Noncompliance material to financial statements noted? _____ yes ___X___ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes ___X___ no
- Significant deficiency(ies) identified? _____ yes ___X___ none reported

Type of auditors’ report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ___X___ no

Identification of major federal programs:

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
--	------------

Auditee qualified as low-risk auditee? _____ yes ___X___ no

**School District of the City of Wyandotte
Schedule of Findings and Questioned Costs
June 30, 2024**

Section II – *Government Auditing Standards* Findings

There were no *Government Auditing Standards* findings for the year ended June 30, 2024.

Section III – Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2024.

**School District of the City of Wyandotte
Summary Schedule of Prior Audit Findings
June 30, 2024**

Section IV – Prior Audit Findings

Government Auditing Standards Findings

Finding 2023-001 – Material Weakness in Internal Controls Over Financial Reporting and Material Noncompliance – Unfavorable Budget Variances

Criteria: The Uniform Budgeting and Accounting Act requires the School District to amend the original adopted budget “as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined”. The Act also states that “an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body”.

Status: Corrected.

Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2023.