

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

FRASER PUBLIC SCHOOLS

Fraser, Michigan

FINANCIAL REPORT

June 30, 2023

FRASER PUBLIC SCHOOLS
TABLE OF CONTENTS
June 30, 2023

PAGE NO.

1-3 INDEPENDENT AUDITOR'S REPORT

4-11 MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS:

EXHIBIT

District-wide Financial Statements:

12 Statement of Net Position

BFS-A

13 Statement of Activities

BFS-B

Fund Financial Statements:

Governmental Funds:

14 Balance Sheet

BFS-C

15 Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

BFS-D

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

BFS-E

17 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

BFS-F

18-36 Notes to Financial Statements

REQUIRED SUPPLEMENTAL INFORMATION:

37 Budgetary Comparison Schedule - General Fund

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

39 Schedule of the District's Pension Contributions

40 Schedule of the District's Proportionate Share of the Net OPEB Liability

41 Schedule of the District's OPEB Contributions

42 Notes to Required Supplemental Information

FRASER PUBLIC SCHOOLS
TABLE OF CONTENTS, CONTINUED
June 30, 2023

PAGE NO.

OTHER SUPPLEMENTAL INFORMATION:

Combining and Individual Fund Financial Statements:

EXHIBIT

General Fund:

43	Balance Sheet	AA
44-45	Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	AA-1

2017 Capital Projects Fund:

46	Balance Sheet	AB
47	Statement of Revenues, Expenditures and Changes in Fund Balance	AB-1

2023 Capital Projects Fund:

48	Balance Sheet	AC
49	Statement of Revenues, Expenditures and Changes in Fund Balance	AC-1

Nonmajor Governmental Funds:

50	Combining Balance Sheet	BA
51	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	BA-1

Special Revenue Funds:

52	Combining Balance Sheet	CA
53	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	CA-1

Debt Retirement Funds:

54	Balance Sheet	DA
55	Statement of Revenues, Expenditures and Changes in Fund Balance	DA-1

OTHER INFORMATION:

SCHEDULE NO.

56	Tax Summary	1
57-62	Schedule of Bond and Note Indebtedness	2

INDEPENDENT AUDITOR'S REPORT

September 30, 2023

To the Board of Education of
Fraser Public Schools
Fraser, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fraser Public Schools as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fraser Public Schools' basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State 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 Fraser Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

To The Board of Education of
Fraser Public Schools
September 30, 2023
Page 2

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

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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.

To The Board of Education of
Fraser Public Schools
September 30, 2023
Page 3

Other Supplemental Information

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

Other Information

Management is responsible for the other information, as identified in the table of contents. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2023, on our consideration of Fraser Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Fraser Public Schools' internal control over financial reporting and compliance.

Respectfully,

BUSS & COMPANY, P.C.



Certified Public Accountants

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**FRASER PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2023**

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Fraser Public Schools financially, as a whole. The District-wide Financial Statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances, and a longer-term view of those finances. The fund financial statements provide an additional level of detail. For governmental activities, these statements tell how services were financed in the short-term, as well as what remains for future spending. The fund level financial statements look at the School District's operations in more detail than the District-wide Financial Statements by providing information about the School District's most significant funds - the General Fund in one column, the 2017 Capital Projects Fund in a second column, the 2023 Capital Projects Fund in the third column, and all other funds presented in a fourth column titled nonmajor funds. The format of the annual report is as follows:

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

Basic Financial Statements

District-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplemental Information

Other Supplemental Information

Other Information

Reporting the School District as a Whole - District-wide Financial Statements

The Statement of Net Position and Statement of Activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, food services, and student/school activities. Property taxes, foundation allowance revenue, and state and federal grants finance most of these activities.

One of the most important questions asked about the School District is, "How have the current year activities affected the financial health of the District?" The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole, and its activities in a way that help the reader answer this question. We prepare these statements to include all assets, liabilities, and deferred inflows and outflows using the accrual basis of accounting, which is similar to the accounting used by most other companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid, which is different from the fund financial statements.

(Continued)

**FRASER PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
For The Year Ended June 30, 2023**

Reporting the School District as a Whole - District-wide Financial Statements (Continued)

These two statements report the School District's net position - the difference between assets and liabilities, as reported in the Statement of Net Position - as one way to measure the School District's financial health, or financial position. An increase or decrease in the School District's net position - as reported in the Statement of Activities - is an indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School District's operating results. However, the School District's goal is to provide quality educational services to our students, not to generate profits as commercial entities do. There are numerous nonfinancial factors to consider, such as the quality of the education provided, and the safety of the schools, when assessing the overall health of the School District.

Reporting the School District's Most Significant Funds - Fund Financial Statements

The School District's Fund Financial Statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by State law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (like the Cafeteria Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like bond funds used for voter approved capital projects). The governmental funds of the School District use the following accounting approach:

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

(Continued)

**FRASER PUBLIC SCHOOLS
 MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
 For The Year Ended June 30, 2023**

The School District As A Whole

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

TABLE 1:

NET POSITION

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 52,121,257	\$ 20,478,548
Capital assets - Net of accumulated depreciation	<u>83,530,788</u>	<u>86,396,279</u>
Total Assets	<u>\$ 135,652,045</u>	<u>\$ 106,874,827</u>
Deferred outflows of resources	<u>\$ 44,022,617</u>	<u>\$ 22,207,251</u>
Current and other liabilities	\$ 15,730,420	\$ 15,394,513
Non current liabilities	105,783,875	80,655,655
Net pension liability	123,486,684	80,562,682
Net OPEB liability	<u>6,919,010</u>	<u>5,177,080</u>
Total Liabilities	<u>\$ 251,919,989</u>	<u>\$ 181,789,930</u>
Deferred Inflows of Resources	<u>\$ 26,688,132</u>	<u>\$ 52,303,133</u>
Net Position:		
Invested in capital assets, net of related debt	\$ 14,873,097	\$ 15,001,742
Unrestricted	<u>(113,806,556)</u>	<u>(120,012,727)</u>
Total Net Position	<u>\$ (98,933,459)</u>	<u>\$ (105,010,985)</u>

The School District's net position was a deficit of \$98 million at June 30, 2023. The District had \$15 million invested in capital assets, net of related debt. Our analysis above focuses on the net position (Table 1) and changes in net position (Table 2) of the School District's governmental activities. Unrestricted net position of (\$113) million represents the accumulated results of all operations and the impact from the adoption of GASB Nos. 68 and 75. These GASB statements require the District to record its share of the net pension and OPEB liabilities of the state-managed retirement system. The operating results of the General Fund and the change in the net pension/OPEB liabilities have significant impact on the change in unrestricted net position from year to year.

(Continued)

**FRASER PUBLIC SCHOOLS
 MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
 For The Year Ended June 30, 2023**

The School District As A Whole (Continued)

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

TABLE 2:

**STATEMENT OF ACTIVITIES
 CHANGES IN NET POSITION
 Years Ended June 30**

	<u>2023</u>	<u>2022</u>
REVENUES:		
Program Revenues:		
Charges for services	\$ 4,633,742	\$ 3,683,418
Federal, State and other source grants	27,619,328	24,374,515
General Revenues:		
Property taxes	15,432,096	14,533,297
State aid - Unrestricted	35,194,310	33,749,561
Other general revenues	968,158	190,803
Total Revenues	<u>\$ 83,847,634</u>	<u>\$ 76,531,594</u>
FUNCTIONS PROGRAM EXPENSES:		
Instruction	\$ 37,151,691	\$ 30,734,466
Support services	25,418,354	21,785,631
Community services	1,502,606	1,298,267
Food services	3,286,253	3,277,309
Student/school activities	1,495,398	1,251,085
Interest on long-term debt	2,964,991	2,883,968
Depreciation (Unallocated)	5,950,815	5,799,550
Total Expenses	<u>\$ 77,770,108</u>	<u>\$ 67,030,276</u>
INCREASE (DECREASE) IN NET POSITION	<u><u>\$ 6,077,526</u></u>	<u><u>\$ 9,501,318</u></u>

(Continued)

**FRASER PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
For The Year Ended June 30, 2023**

The School District As A Whole (Continued)

As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$77.7 million. Some of the cost was paid by those who benefitted from the programs in the form of charges for services (\$4.6 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$27.6 million). We paid for the remaining "public benefit" portion of our governmental activities with \$15.4 million in taxes, \$35.1 million in State Aid, and with our other revenues, like interest and general entitlements.

The School District's Funds

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

As the School District completed this year, our governmental funds reported a combined fund balance of \$42.6 million, which is an increase of \$31.5 million from last year. The primary reasons for these increases are:

Our General Fund is our principal operating fund. The fund balance in the General Fund increased \$3.2 million to \$10.8 million. The change is due primarily to an increase in state revenue.

The 2017 Capital Projects Fund showed a decrease in fund balance of \$1.2 million. The decrease is due to expenditures related to building and site improvements.

The 2023 Capital Projects Fund showed an increase of \$29.8 million. The increase is due to the sale of building and site bonds in June.

The Special Revenue Funds showed a combined net decrease of \$129,702. The Food Service Fund decreased by \$210,191 and the Student/School Activities Fund increased by \$80,849; both as a result of current year operations.

The Debt Retirement Fund showed a net decrease in fund balance of \$76,892. Debt and interest payments exceeded tax collections during the year.

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted just before year-end. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the Required Supplemental Information section of these financial statements.

(Continued)

**FRASER PUBLIC SCHOOLS
 MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
 For The Year Ended June 30, 2023**

General Fund Budgetary Highlights (Continued)

There were significant revisions made to the 2022-2023 budget as a result of:

- Budgeted revenues and other financing sources were increased by \$8.7 million. The original budget was based on projections provided by the Michigan legislature after the Consensus Revenue Estimating Conference (CREC) held in May 2022. The primary reason for the increase is due to additional state funds being received.
- Budgeted expenditures and other financing uses were increased by \$5.7 million to account for the increase resulting from the School District's revised operating plan due to fluctuations in revenue and operating expenses during the year.

There were no significant variances between the final budget and actual amounts. Actual revenues and other financing sources were \$86,871 less than the final amended budget, or 0%. Actual expenditures and other financing uses were \$1,330,198 less than the final budget, or 1.9%.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2023, the School District had \$167.9 million invested in a broad range of capital assets, including land, buildings, vehicles, and furniture and equipment. This amount represents a decrease of \$0.6 million, or 0.3%, from last year.

	<u>2023</u>	<u>2022</u>
Land	\$ 632,083	\$ 632,083
Buildings, sites and improvements	143,877,714	142,458,959
Buses and other vehicles	3,150,385	3,354,967
Furniture and equipment (including technology)	20,264,485	22,036,887
Total Capital Assets	<u>\$ 167,924,667</u>	<u>\$ 168,482,896</u>
Less: Accumulated depreciation	<u>84,393,879</u>	<u>82,086,617</u>
	<u><u>\$ 83,530,788</u></u>	<u><u>\$ 86,396,279</u></u>

This year's additions of \$3.1 million included classroom furniture and equipment (including technology), vehicles, playground equipment, food service equipment, and several projects called for in the Capital Projects Funds. These projects include erecting, remodeling, reequipping and refurbishing school buildings, and other facilities.

(Continued)

**FRASER PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
For The Year Ended June 30, 2023**

Debt

The School District's School Issuer Credit Rating on its general obligation bonds per Standard and Poor's is AA. The State limits the amount of general obligation debt that schools can issue to 15% of the assessed value of all taxable property within the School District's boundaries. The School District's outstanding general obligation debt of \$94.5 million is significantly below the statutorily imposed limit.

Other obligations include accrued sick leave and net pension liability. We present more detailed information about our long-term liabilities in the Notes to Financial Statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2023-2024 fiscal year budget. The following items could significantly impact the District's financial position in the future:

- One of the most significant factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the per pupil foundation allowance. The District is projecting a blended enrollment of 4,549 for the 2023-2024 budget.. This projection was an estimate based on historical data, and the actual student count may vary from this estimate.
- The 2023-2024 budget assumes an increase in the foundation allowance of \$458, or \$9,608 per pupil. Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to the School District. The State periodically holds a revenue estimating conference to estimate revenues. Based on the results of the most recent conference, the State estimates funds are sufficient to fund the estimated appropriation.
- Once the State's School Aid Budget is final and student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual District resources are not sufficient to fund original appropriations.
- The School District has eight union groups as part of its workforce and has successfully negotiated contracts with each group. One contract expires June 30, 2024; one expires June 30, 2025; and six contracts will expire June 30, 2026.

(Continued)

**FRASER PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
For The Year Ended June 30, 2023**

Contacting the School District's Financial Management

This financial report is designed to provide the School District's citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the Business Office, 33466 Garfield, Fraser, Michigan 48026.

FRASER PUBLIC SCHOOLS
 STATEMENT OF NET POSITION
 June 30, 2023

Exhibit BFS-A

GOVERNMENTAL ACTIVITIES

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 10,557,109
Taxes receivable	46,309
Accounts receivable	68,840
Due from other governmental units	11,063,837
Inventories	20,461
Prepaid expenditures	205,428
Restricted assets	30,159,273
Total Current Assets	\$ 52,121,257

NON-CURRENT ASSETS:

Capital assets	\$ 167,924,667
Less: Accumulated depreciation	(84,393,879)
Total Non-Current Assets	\$ 83,530,788

Total Assets \$ 135,652,045

DEFERRED OUTFLOWS OF RESOURCES

Related to pensions	\$ 35,090,650
Related to other postemployment benefits	8,252,212
Deferred charges on refunding	679,755
Total Deferred Outflows of Resources	\$ 44,022,617

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	\$ 948,675
Payroll deductions and withholdings	3,372,686
Salaries payable	3,647,761
Other accrued expenses	566,058
Unearned revenue	1,472,383
Bonds and note payable, due within one year	5,575,000
Compensated absences and early retirement pay, due within one year	147,857
Total Current Liabilities	\$ 15,730,420

NON-CURRENT LIABILITIES:

Bonds and note payable	\$ 95,796,626
Unamortized bond premium	7,882,443
Net pension liability	123,486,684
Net other postemployment benefits liability	6,919,010
Compensated absences and early retirement pay	2,104,806
Total Non-Current Liabilities	\$ 236,189,569
Total Liabilities	\$ 251,919,989

DEFERRED INFLOWS OF RESOURCES

Related to pensions	\$ 4,280,038
Related to other postemployment benefits	15,190,947
State aid funding for pension and other postemployment benefits	7,217,147
Total Deferred Inflows of Resources	\$ 26,688,132

NET POSITION

Invested in capital assets, net of related debt	\$ 14,873,097
Unrestricted	(113,806,556)
Total Net Position	\$ (98,933,459)

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
 STATEMENT OF ACTIVITIES
 June 30, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
PRIMARY GOVERNMENT:				
Governmental Activities:				
Instruction	\$ 37,151,691	\$ 452,958	\$ 16,656,221	\$ (20,042,512)
Support services	25,418,354	235,047	9,189,369	(15,993,938)
Community services	1,502,606	759,620	-	(742,986)
Food services	3,286,253	1,564,612	1,773,738	52,097
Student/school activities	1,495,398	1,621,505	-	126,107
Interest on long-term debt	2,964,991	-	-	(2,964,991)
Depreciation (Unallocated)	5,950,815	-	-	(5,950,815)
Total Governmental Activities	<u>\$ 77,770,108</u>	<u>\$ 4,633,742</u>	<u>\$ 27,619,328</u>	<u>\$ (45,517,038)</u>
GENERAL REVENUES:				
Property taxes, levied for general purposes				\$ 8,549,153
Property taxes, levied for debt services				6,882,943
State aid not restricted to specific purposes				35,194,310
Interest and investment earnings				391,712
Other				308,992
Total General Revenues				<u>\$ 51,327,110</u>
Gain (loss) on disposal of assets				267,454
Total General Revenues and Special Item				<u>\$ 51,594,564</u>
CHANGE IN NET POSITION				<u>\$ 6,077,526</u>
NET POSITION - JULY 1				<u>(105,010,985)</u>
NET POSITION - JUNE 30				<u>\$ (98,933,459)</u>

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2023

	GENERAL FUND	2017 CAPITAL PROJECTS FUND	2023 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 8,726,900	\$ -	\$ 29,912,231	\$ 2,077,251	\$ 40,716,382
Taxes receivable	18,676	-	-	27,633	46,309
Accounts receivable	68,840	-	-	-	68,840
Due from other governmental units	10,966,757	-	-	97,080	11,063,837
Due from other funds	6,104	-	-	-	6,104
Inventories	-	-	-	20,461	20,461
Prepaid expenditures	197,338	-	-	8,090	205,428
Total Assets	\$ 19,984,615	\$ -	\$ 29,912,231	\$ 2,230,515	\$ 52,127,361
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 708,364	\$ -	\$ 124,789	\$ 115,522	\$ 948,675
Payroll deductions and withholdings	3,372,686	-	-	-	3,372,686
Salaries payable	3,647,761	-	-	-	3,647,761
Other accrued expenses	2,184	-	-	-	2,184
Unearned revenue	1,396,102	-	-	76,281	1,472,383
Due to other funds	-	-	-	6,104	6,104
Total Liabilities	\$ 9,127,097	\$ -	\$ 124,789	\$ 197,907	\$ 9,449,793
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	\$ 18,676	\$ -	\$ -	\$ 27,633	\$ 46,309
FUND BALANCES:					
Non-spendable - Inventories and prepaid expenditures	\$ 197,338	\$ -	\$ -	\$ 28,551	\$ 225,889
Restricted for debt service	-	-	-	244,043	244,043
Restricted for capital projects	-	-	29,787,442	-	29,787,442
Restricted for food service	-	-	-	1,111,330	1,111,330
Restricted for student/school activities	-	-	-	621,051	621,051
Committed - Technology	792,844	-	-	-	792,844
Assigned to subsequent year budget	771,142	-	-	-	771,142
Unassigned	9,077,518	-	-	-	9,077,518
Total Fund Balances	\$ 10,838,842	\$ -	\$ 29,787,442	\$ 2,004,975	\$ 42,631,259
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 19,984,615	\$ -	\$ 29,912,231	\$ 2,230,515	\$ 52,127,361

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET POSITION
June 30, 2023

Exhibit BFS-D

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 42,631,259
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds:		
The cost of capital assets is	\$ 167,924,667	
Accumulated depreciation is	<u>(84,393,879)</u>	83,530,788
Other assets not available to pay current period expenditures are deferred in the funds.		46,309
Deferred outflows of resources related to pensions		35,090,650
Deferred outflows of resources related to other postemployment benefits		8,252,212
Deferred outflows of resources related to charges on refunding, net of amortization		679,755
Long-term liabilities are not due and payable in the current period and are not reported in the funds:		
Long-term debt obligations	\$ (100,985,556)	
Compensated absences	(2,252,663)	
Net pension liability	(123,486,684)	
Net other postemployment benefits liability	<u>(6,919,010)</u>	(233,643,913)
Unamortized bond premium is not included as a liability in governmental activities.		(7,882,443)
Deferred inflows of resources related to pensions		(4,280,038)
Deferred inflows of resources related to other postemployment benefits		(15,190,947)
Deferred inflows of resources related to state pension funding		(7,217,147)
Accrued interest is not included as a liability in government funds, it is reported when paid		<u>(949,944)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u><u>\$ (98,933,459)</u></u>

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2023

	GENERAL FUND	2017 CAPITAL PROJECTS FUND	2023 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources	\$ 7,854,439	\$ 33,737	\$ -	\$ 10,171,837	\$ 18,060,013
State sources	53,120,224	-	-	569,510	53,689,734
Federal sources	5,755,017	-	-	1,952,435	7,707,452
Other	3,815,854	-	-	-	3,815,854
Total Revenues	\$ 70,545,534	\$ 33,737	\$ -	\$ 12,693,782	\$ 83,273,053
EXPENDITURES:					
Instruction	\$ 38,696,026	\$ -	\$ -	\$ -	\$ 38,696,026
Supporting services	25,950,757	-	-	-	25,950,757
Community services	1,502,606	-	-	-	1,502,606
Cafeteria activities	-	-	-	3,286,253	3,286,253
Student/school activities	-	-	-	1,495,398	1,495,398
Debt service:					
Principal	-	-	-	5,425,000	5,425,000
Interest	-	-	-	3,387,305	3,387,305
Paying agent fees and expense	-	-	269,219	11,672	280,891
Capital outlay and other transactions	1,756,765	1,288,343	-	70,253	3,115,361
Total Expenditures	\$ 67,906,154	\$ 1,288,343	\$ (269,219)	\$ 13,675,881	\$ 83,139,597
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 2,639,380	\$ (1,254,606)	\$ (269,219)	\$ (982,099)	\$ 133,456
OTHER FINANCING SOURCES (USES):					
Incoming transfers	\$ 192,035	\$ -	\$ -	\$ -	\$ 192,035
Proceeds from the issuance of debt	-	-	30,056,661	967,540	31,024,201
Proceeds from the sale of assets and other transactions	606,409	-	-	-	606,409
Outgoing transfers	-	-	-	(192,035)	(192,035)
Other transactions	(235,525)	-	-	-	(235,525)
Total Other Financing Sources (Uses)	\$ 562,919	\$ -	\$ 30,056,661	\$ 775,505	\$ 31,395,085
NET CHANGE IN FUND BALANCES	\$ 3,202,299	\$ (1,254,606)	\$ 29,787,442	\$ (206,594)	\$ 31,528,541
FUND BALANCES - JULY 1	7,636,543	1,254,606	-	2,211,569	11,102,718
FUND BALANCES - JUNE 30	\$ 10,838,842	\$ -	\$ 29,787,442	\$ 2,004,975	\$ 42,631,259

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
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, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 31,528,541**

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

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are capitalized and depreciated over their estimated useful lives as depreciation:

Depreciation expense	(5,950,815)
Capital outlay	3,115,287
Proceeds on the sale of assets	(297,417)
Gain (loss) on disposal of capital assets	267,454

Revenue reported in the statement of activities that does not provide financial resources and are not reported as revenue in the governmental funds.	(1,865)
--	---------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position. Also, governmental funds report the effect of issuance premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts represent the related activity of the current period.

Repayment of bond principal	5,425,000
Proceeds from the issuance of debt	(31,024,201)
Amortization of deferred charges on refunding	(60,836)
Amortization of bond premium	767,585

Accrued interest on bonds and note payables is an expenditure in the statement of activities when incurred; an expenditure is not reported in the governmental funds until paid.	(284,435)
--	-----------

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

Pension related items	881,650
Other postemployment benefits related items	4,993,077

Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period.	(3,049,456)
--	-------------

Compensated absences are reported as expenditures in the statement of activities when incurred; an expenditure is not recorded in the governmental funds until paid.	(232,043)
--	-----------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 6,077,526**

See accompanying notes to financial statements.

**FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Fraser Public Schools conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of significant accounting policies used by the School District:

A. GOVERNMENTAL REPORTING ENTITY

Fraser Public Schools is a general powers school district governed by an elected seven-member Board of Education. No component units, as defined by the Governmental Auditing Standards Board, are required to be included in the reporting entity's financial statements.

B. DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the district-wide activities are considered to be governmental activities.

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

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

District-Wide Statements - The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

Fund-Based 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.

(Continued)

FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

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

The School District reports the General Fund, the 2017 Capital Projects Fund, and the 2023 Capital Projects Fund as major governmental funds. The General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund. The Capital Projects Funds are used to record bond proceeds or other revenue and expenditures related to renovating, remodeling, and improving existing School District facilities.

The School District reports the following funds as nonmajor funds:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Special Revenue Funds maintained by the District are the Cafeteria Fund and the Student/School Activity Fund.

Debt Retirement Funds - Debt Retirement Funds are used to account for the accumulated resources for, and the payment of, long-term principal, interest and related costs.

Cash and Investments - Fraser Public Schools District's cash and cash equivalents consist of various interest bearing savings accounts, checking accounts, money market accounts, certificates of deposit, and U.S. Treasury obligations. Cash and cash equivalents are carried at cost, which approximates fair value. Investments consist of commercial paper and U.S. Agency Obligations. They are carried at fair market value. The District considers all short-term investments with an original maturity of one year or less to be cash equivalents.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Taxes Receivable - Taxes receivable represent that portion of prior year levies uncollected as of June 30, 2023. These balances represent only personal property taxes in that the County has adopted the Revolving Tax Fund concept and remitted all delinquent real property taxes prior to the close of the fiscal year; however, should any taxes be uncollectible, the District is liable for reimbursement to the County. No allowance for uncollectible taxes has been established since past experience indicates this amount to be immaterial.

For the Township of Clinton and the Cities of Fraser and Roseville, the District levies personal and real property taxes in July of each year. Property taxes attach as an enforceable lien on property as of December 31. Delinquent real property taxes are assumed by the County and remitted to the District prior to June 30.

(Continued)

FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

Inventories and Prepaid Items - Inventories are reflected at cost, which approximates market, using the first-in, first-out method. Inventory recorded in the General Fund consists of items specifically ordered for the ensuing year and have been received, invoiced and/or paid as of June 30, 2023. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both the district-wide and the fund financial statements.

Capital Assets - Capital assets, which include land, buildings and sites, renovations, equipment, and vehicles, are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 for any single item or group of similar items purchased at the same time. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. Improvements to sites or buildings in excess of \$5,000 that extend the useful life of the capital asset at least five years are also capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and sites	40-50 years
Building and site renovations	7-30 years
Buses and other vehicles	8 years
Furniture and other equipment	5-20 years

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. They are the deferred charge on refunding, pension and other postemployment benefits related items reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows are recognized for pension and other postemployment benefits related items. These amounts are expensed in the plan years in which it applies.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension and other postemployment benefit contributions subsequent to the measurement period. The second and third items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary.

(Continued)

FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

Compensated Absences - The liability for compensated absences reported in the district-wide statements consists of unpaid, accumulated sick leave balances and early retirement incentive pay. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the following year to receive such payments upon termination are included. A liability for compensated absences is reported in the governmental funds only to the extent that they have matured, for example, as a result of employee retirement.

Defined Benefit Plan - For purposes of measuring the net pension and other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefits expense, information about the fiduciary net position of the Michigan Public 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.

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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Use of Estimates - The process of preparing basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Fund Balance - In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Commitments of fund balance represent amounts committed by the District's highest level of decision-making authority and require Board resolution. Assignments represent tentative management plans that are subject to change. Management's authority to create these assignments are established by the Board.

It is the policy of the District to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. Committed or assigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

(Continued)

FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end.

State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. Final budget adjustments were approved prior to June 30, 2023. During the year ended June 30, 2023, expenditures did not exceed the amounts appropriated by the Board.

Encumbrances - Encumbrances not committed to accounts and contracts payable by year end are allowed to lapse and are rebudgeted in the following year.

Capital Projects Funds - The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provision of Section 1351a of the State of Michigan's School Code.

Beginning with the year of issue, the District has reported the annual construction activity in the 2017 Capital Projects Fund. The projects for which the bonds were issued were considered complete on June 30, 2023 and the cumulative expenditures recognized for the construction period were \$30,744,415.

Subsequent Events - Management has evaluated events and transactions for potential recognition or disclosure through September 30, 2023, the date the financial statements were available to be issued.

III. DEPOSITS AND INVESTMENTS

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, banker's 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's deposits are in accordance with statutory authority.

At year end, the School District's deposits and investments were reported in the basic financial statements in the following categories:

Cash and cash equivalents	\$ 10,557,109
Restricted - Cash and cash equivalents	<u>30,159,273</u>
Total	<u>\$ 40,716,382</u>

(Continued)

FRASER PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS, CONTINUED
 For The Year Ended June 30, 2023

III. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District's investment policy does not further limit its investment choices.

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not currently have a policy for custodial credit risk. At June 30, 2023, the District's deposit balance of \$41,157,052 had \$40,298,664 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not currently have a policy for custodial credit risk. The School District believes that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities beyond those allowed by state law.

IV. INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2023 consist of the following:

	<u>General Fund</u>	<u>Cafeteria Fund</u>	<u>Government Wide</u>
State aid	\$ 10,004,622	\$ -	\$ 10,004,622
Federal revenue	855,865	14,126	869,991
Other	106,270	82,954	189,224
Total	<u>\$ 10,966,757</u>	<u>\$ 97,080</u>	<u>\$ 11,063,837</u>

No allowance for doubtful accounts is considered necessary based on previous experience.

(Continued)

FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

V. CAPITAL ASSETS

Capital asset activity of the School District's governmental activities was as follows:

	Balance July 01, 2022	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital Assets Not Being Depreciated:				
Land	\$ 632,083	\$ -	\$ -	\$ 632,083
Capital Assets Being Depreciated:				
Buildings, sites and improvements	\$ 142,458,959	\$ 1,418,755	\$ -	\$ 143,877,714
Buses and other vehicles	3,354,967	151,424	356,006	3,150,385
Furniture and equipment	22,036,887	1,545,108	3,317,510	20,264,485
Subtotal	\$ 167,850,813	\$ 3,115,287	\$ 3,673,516	\$ 167,292,584
Less: Accumulated Depreciation for:				
Buildings, sites and improvements	\$ 66,399,036	\$ 3,744,051	\$ -	\$ 70,143,087
Buses and other vehicles	2,079,865	240,413	338,206	1,982,072
Furniture and equipment	13,607,716	1,966,351	3,305,347	12,268,720
Subtotal	\$ 82,086,617	\$ 5,950,815	\$ 3,643,553	\$ 84,393,879
Net Capital Assets Being Depreciated	\$ 85,764,196	\$ (2,835,528)	\$ 29,963	\$ 82,898,705
Net Capital Assets	\$ 86,396,279	\$ (2,835,528)	\$ 29,963	\$ 83,530,788

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

VI. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

Interfund Receivables/Payables

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 6,104	\$ -
Special Revenue Fund	-	5,915
Capital Projects Fund	-	189
Debt Retirement Funds	-	-
Total	\$ 6,104	\$ 6,104

(Continued)

FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

VI. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

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

The Cafeteria Fund transferred \$192,035 to the General Fund for indirect costs.

VII. DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUE

Governmental funds report deferred inflows of resources in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes	\$ 46,309	\$ -
Grant and categorical aid payments received prior to meeting all eligibility requirements	-	1,399,208
Other payments received prior to being earned	-	73,175
Total	<u>\$ 46,309</u>	<u>\$ 1,472,383</u>

VIII. 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. Other long-term obligations include notes payable and compensated absences.

(Continued)

FRASER PUBLIC SCHOOL
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

VIII. LONG-TERM DEBT (Continued)

Long-term liability balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
General Obligation Debt:					
Bonds payable	\$ 72,525,000	\$ 27,415,000	\$ 5,425,000	\$ 94,515,000	\$ 5,575,000
School Loan Revolving Fund	5,503,016	967,540	-	6,470,556	-
School Loan Revolving Fund - Interest	181,472	204,598	-	386,070	-
Bond premium	6,008,367	2,641,661	767,584	7,882,444	836,576
Other Liabilities:					
Compensated absences	2,020,620	473,649	241,606	2,252,663	147,857
Total	<u>\$ 86,238,475</u>	<u>\$ 31,702,448</u>	<u>\$ 6,434,190</u>	<u>\$ 111,506,733</u>	<u>\$ 6,559,433</u>

Annual debt service requirements to maturity for the above governmental bond and note obligations are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	5,575,000	4,028,181	9,603,181
2025	6,285,000	4,029,494	10,314,494
2026	6,570,000	3,805,914	10,375,914
2027	7,150,000	3,570,733	10,720,733
2028	7,460,000	3,270,353	10,730,353
2029-2033	22,115,000	12,120,300	34,235,300
2034-2038	12,110,000	8,672,500	20,782,500
2039-2043	13,525,000	5,444,000	18,969,000
2044-2048	13,725,000	2,003,750	15,728,750
Totals	<u>\$ 94,515,000</u>	<u>\$ 46,945,225</u>	<u>\$ 141,460,225</u>

Additional details related to bonds and notes payable are provided in Schedule 2.

(Continued)

FRASER PUBLIC SCHOOL
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

VIII. LONG-TERM DEBT (Continued)

Other long-term liabilities are as follows:

Employee accumulated sick bank	\$ 2,031,617
Accumulated sick pay for retired employees	221,046
Total	<u>\$ 2,252,663</u>
Less: Current portion due within one year	<u>147,857</u>
Total Long-Term Portion	<u><u>\$ 2,104,806</u></u>

School Loan Revolving Fund - The School Loan Revolving Fund payable represents notes payable to the State of Michigan for loans made to the School District for the purpose of paying principal and interest on general obligation bonds of the School District issued for capital expenditures. Interest rates are determined annually by the State Administrative Board and are the greater of 3.0% or the average annual cost of funds based on the average rate paid by the state on debt obligations issued to finance the loan program plus 0.125%. Interest on the notes payable 4.11441% at June 30, 2023. Repayment begins as soon as annual tax collections exceed annual debt service payment requirements. The predetermined mandatory final loan repayment date is May 1, 2047. Due to the variability of the factors that affect the timing of repayment, including the future amount of state-equalized value of property in the School District, no provision for repayment has been included in the above amortization schedule. The state may apply a default late charge on the note if the District does not make the repayments, or apply the default late charge if the District fails to levy the appropriate debt mills. The state may also withhold state aid payments if the District is in default.

IX. RESTRICTED ASSETS

The balances for the restricted asset accounts are as follows:

	<u>Governmental Funds</u>
Debt service	\$ 247,042
2023 Capital Project Fund	<u>29,912,231</u>
Total Restricted Assets	<u><u>\$ 30,159,273</u></u>

(Continued)

FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

X. RISK MANAGEMENT

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workers compensation benefits provided to employees. The District has purchased commercial insurance to cover these risks with the exception of health insurance.

Effective January 1, 2011 the District became partially self-insured for medical benefits provided to employees. The District's maximum exposure for the period ended June 30, 2023 was limited to a specific stop loss of \$200,000 and an aggregate stop loss at 130% of estimated medical claims not to exceed \$26,856 per covered contract per year or \$6,974,317 as of June 30, 2023. The District has purchased commercial excess insurance coverage to pay employee claims in excess of deductible amounts. A summary of the activity for the period from July 1, 2022 through June 30, 2023 is as follows:

Estimated liability (overpayment) as of July 1, 2022	\$ -
Estimated claims paid including administrative costs	5,277,950
Total payments made to Blue Cross Blue Shield	<u>(5,277,950)</u>
Estimated liability (overpayment) as of June 30, 2023	<u>\$ -</u>

XI. RETIREMENT AND POSTRETIREMENT BENEFITS

The District participates in the Michigan Public School Employees' Retirement System (MPERS), 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. MPERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at <http://michigan.gov/orsschools>.

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 option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act.

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 of the System.

(Continued)

FRASER PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS, CONTINUED
 For The Year Ended June 30, 2023

XI. RETIREMENT AND POSTRETIREMENT BENEFITS (Continued)

Benefits Provided - Pension

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the pension plans offered by MPSERS is as follows:

Plan Name	Plan Type	Plan Status
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Closed
Pension Plus 2	Hybrid	Open
Defined Contribution	Defined Contribution	Open

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Retirement benefits for DB plan members are determined by final average compensation and years of service. 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.

Benefit Provisions – Other Postemployment Benefit (OPEB)

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

Member Contributions

Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other post employment benefits. Plan members electing the defined contribution plan are not required to make additional contributions.

Employer Contributions

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

(Continued)

FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

XI. RETIREMENT AND POSTRETIREMENT BENEFITS (Continued)

Employer Contributions

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

	<u>Pension</u>	<u>Other Postemployment Benefit</u>
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%
October 1, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%

Required contributions to the pension plan from the District were \$11,175,537 for the year ended September 30, 2022. Required contributions to the OPEB Plan from the District were \$2,488,331 for the year ended September 30, 2022.

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

At June 30, 2023, the District reported a liability of \$123,486,684 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2021. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2022, the District's proportion was .32835 percent, which was a decrease of .01193 percent from its proportion measured as of September 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$13,508,200.

(Continued)

FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

XI. RETIREMENT AND POSTRETIREMENT BENEFITS (Continued)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 1,235,298	\$ (276,103)
Changes of assumptions	21,219,437	-
Net difference between projected and actual earnings on pension plan investments	289,576	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(4,003,935)
District contributions subsequent to the measurement date	12,346,339	-
Total	<u>\$ 35,090,650</u>	<u>\$ (4,280,038)</u>

\$12,346,339 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,

2023	\$5,043,315
2024	3,552,047
2025	3,115,192
2026	6,753,719

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

At June 30, 2023, the District reported a liability of \$6,919,010 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2022, the District's proportion was .32667 percent, which was a decrease of .01250 percent from its proportion measured as of September 30, 2021.

For the Year ended June 30, 2023 the District recognized OPEB expense of (\$3,009,032).

(Continued)

FRASER PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS, CONTINUED
 For The Year Ended June 30, 2023

XI. RETIREMENT AND POSTRETIREMENT BENEFITS (Continued)

At June 30, 2023, the Reporting Unit 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
Differences between expected and actual experience	\$ -	\$ (13,551,689)
Changes in assumptions	6,167,135	(502,163)
Net difference between projected and actual plan investments earnings	540,775	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,870	(1,137,095)
District contributions subsequent to the measurement date	1,525,432	-
	<u>\$ 8,252,212</u>	<u>\$ (15,190,947)</u>

\$1,525,432 reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

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

Year ended September 30,	
2023	(\$2,906,083)
2024	(2,580,112)
2025	(2,329,010)
2026	(350,107)
2027	(269,259)
Thereafter	(29,596)

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.

(Continued)

FRASER PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS, CONTINUED
 For The Year Ended June 30, 2023

XI. RETIREMENT AND POSTRETIREMENT BENEFITS (Continued)

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Actuarial Assumptions

Wage Inflation Rate	2.75%
Investment Rate of Return	
- MIP and Basic Plans OPEB	6.00%
- Pension Plus Plan	6.00%
- Pension Plus 2 Plan	6.00%
- OPEB	6.00%
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
Healthcare Cost Trend Rate	Pre-65: 7.75% Year one graded to 3.5% Year fifteen Post-65: 5.25% Year one graded to 3.5% Year fifteen
Mortality	RP-2014 Male and Female Healthy Annuitant Mortality Tables, adjusted for mortality improvements. For active members, 100% of the table rates were used. For retirees 82% of the table rates were used for males and 78% of the table rates were used for females.

Additional Assumptions for Other Postemployment Benefit Only

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 coverage 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.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 weighing 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 target asset allocation as of September 30, 2022, are summarized in the following table:

(Continued)

FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

XI. RETIREMENT AND POSTRETIREMENT BENEFITS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.1%
International Equity Pools	15.0%	6.7%
Private Equity Pools	16.0%	8.7%
Real Estate and Infrastructure Pools	10.0%	5.3%
Fixed Income Pools	13.0%	-0.2%
Absolute Return Pools	9.0%	2.7%
Real Return/Opportunistic Pools	10.0%	5.8%
Short Term Investment Pools	2.0%	-0.5%
	<u>100.0%</u>	

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

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

Discount Rate

Pension Discount Rate – The discount rate used to measure the total pension liability was 6%. This discount rate was based on the long-term rate of return on pension plan investments of 6%. The projection of cash flows used to determine the discount rate assumed that plan members contributions will be made at the current contribution rate and that contributions from school districts will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those 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.

*Long-term rate of return are net of administrative expenses and 2.2% inflation.

(Continued)

FRASER PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS, CONTINUED
 For The Year Ended June 30, 2023

XI. RETIREMENT AND POSTRETIREMENT BENEFITS (Continued)

OPEB Discount Rate – The discount rate of 6% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6%. 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 school districts contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability, calculated using a discount rate of 6%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
\$ 162,956,547	\$ 123,486,684	\$ 90,961,739

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 6%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	Other Postemployment Benefit		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net other postemployment benefit liability	\$ 11,605,973	\$ 6,919,010	\$ 2,972,005

(Continued)

FRASER PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, CONTINUED
For The Year Ended June 30, 2023

XI. RETIREMENT AND POSTRETIREMENT BENEFITS (Continued)

Sensitivity to the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	Other Postemployment Benefit		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net other postemployment benefit liability	\$ 11,605,973	\$ 6,919,010	\$ 2,972,005

Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2022 Comprehensive Annual Financial Report.

Payable to the Pension and OPEB Plan

At year end the School District is current on all required pension and OPEB plan payments. Amounts accrued at year end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers and the contributions due funded from state revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate.

XII. TAX ABATEMENTS

The District receives reduced property tax revenues as a result of Industrial Facilities Tax Exemptions, Brownfield Redevelopment Agreements, and Payments in Lieu of Taxes (PILOT) granted by cities, villages, and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield Redevelopment Agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; PILOT programs apply to multiple unit housing for citizens of low income and the elderly. The property taxes abated for all funds by municipality under these programs are as follows:

Municipality	Taxes Abated
City of Fraser	\$ 79,193
City of Roseville	-
Clinton Township	6,600
	<u>\$ 85,793</u>

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's Section 22 funding of the State School Aid Act.

There are no significant abatements made by the District.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

REQUIRED SUPPLEMENTAL INFORMATION

FRASER PUBLIC SCHOOLS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For The Year Ended June 30, 2023

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Local sources	\$ 7,489,497	\$ 7,812,292	\$ 7,854,439	\$ 42,147
State sources	46,678,366	53,256,888	53,120,224	(136,664)
Federal sources	4,342,201	5,814,964	5,755,017	(59,947)
Incoming transfers and other transactions	4,198,474	3,752,529	3,815,854	63,325
Total Revenues	\$ 62,708,538	\$ 70,636,673	\$ 70,545,534	\$ (91,139)
EXPENDITURES:				
Instruction:				
Basic programs	\$ 28,059,758	\$ 30,419,096	\$ 29,936,344	\$ 482,752
Added needs	8,217,655	9,148,278	8,985,449	162,829
Total Instruction	\$ 36,277,413	\$ 39,567,374	\$ 38,921,793	\$ 645,581
Supporting Services:				
Pupil	\$ 5,652,684	\$ 5,652,899	\$ 5,617,461	\$ 35,438
Instructional staff	4,071,918	4,257,566	4,198,426	59,140
General Administration	624,373	614,304	583,509	30,795
School Administration	3,406,889	3,714,742	3,697,811	16,931
Business	1,029,376	1,059,049	1,025,798	33,251
Operations and maintenance	6,508,949	7,498,356	7,290,378	207,978
Pupil transportation	1,868,903	1,864,684	1,701,415	163,269
Central services	1,671,607	1,672,312	1,593,150	79,162
Athletic activities	957,416	996,241	976,848	19,393
Total Supporting Services	\$ 25,792,115	\$ 27,330,153	\$ 26,684,796	\$ 645,357
Community Services	\$ 1,335,654	\$ 1,531,886	\$ 1,502,606	\$ 29,280
Total Expenditures	\$ 63,405,182	\$ 68,429,413	\$ 67,109,195	\$ 1,320,218
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (696,644)	\$ 2,207,260	\$ 3,436,339	\$ 1,229,079
OTHER FINANCING SOURCES (USES):				
Incoming transfers and other transactions	\$ -	\$ 794,176	\$ 798,444	\$ 4,268
Outgoing transfers and other transactions	(318,000)	(1,042,464)	(1,032,484)	9,980
Total Other Financing Sources (Uses)	\$ (318,000)	\$ (248,288)	\$ (234,040)	\$ 14,248
NET CHANGES IN FUND BALANCE	\$ (1,014,644)	\$ 1,958,972	\$ 3,202,299	\$ 1,243,327
FUND BALANCE - JULY 1			7,636,543	
FUND BALANCE - JUNE 30			\$ 10,838,842	

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
Last 10 Fiscal Years (Determined as of 9/30 of Each Fiscal Year)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of net pension liability (%)	0.32835%	0.34028%	0.34337%	0.34666%	0.34969%	0.35053%	0.34716%	0.34869%	0.35668%
District's proportionate share of net pension liability	\$ 123,486,684	\$ 80,562,682	\$ 117,951,550	\$ 114,803,018	\$ 105,124,774	\$ 90,836,219	\$ 86,613,759	\$ 85,157,990	\$ 78,563,869
District's covered-employee payroll	\$ 31,524,701	\$ 30,475,815	\$ 30,094,466	\$ 30,102,870	\$ 29,583,285	\$ 29,431,410	\$ 29,207,842	\$ 28,999,688	\$ 30,314,228
District's proportionate share of net pension liability as a percentage of its covered-employee payroll (%)	391.71%	264.35%	391.94%	381.37%	355.35%	308.64%	296.54%	293.65%	259.17%
Plan fiduciary net position as a percentage of total pension liability	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District presents information for those years for which information is available.

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
Last 10 District's Fiscal Years (Determined as of 6/30 of Each Year)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 15,337,488	\$ 11,137,210	\$ 10,683,527	\$ 9,846,160	\$ 9,245,367	\$ 8,918,999	\$ 8,110,462	\$ 8,057,505	\$ 7,624,723
Contributions in relation to statutorily required contributions	<u>15,337,488</u>	<u>11,137,210</u>	<u>10,683,527</u>	<u>9,846,160</u>	<u>9,245,367</u>	<u>8,918,999</u>	<u>8,110,462</u>	<u>8,057,505</u>	<u>7,624,723</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 31,792,047	\$ 31,396,966	\$ 29,963,594	\$ 30,364,360	\$ 29,982,554	\$ 29,605,023	\$ 29,422,806	\$ 29,121,805	\$ 29,422,349
Contributions as a percentage of covered-employee payroll	48.24%	35.47%	35.66%	32.43%	30.84%	30.13%	27.57%	27.67%	25.91%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District presents information for those years for which information is available.

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
Last 10 Fiscal Years (Determined as of 9/30)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of net other postemployment benefits liability (%)	0.32667%	0.33917%	0.34065%	0.34509%	0.34791%	0.34964%
District's proportionate share of net other postemployment benefit liability	\$ 6,919,010	\$ 5,177,080	\$ 18,249,307	\$ 24,769,620	\$ 27,654,953	\$ 30,962,346
District's covered-employee payroll	\$ 31,524,701	\$ 30,475,815	\$ 30,094,466	\$ 30,102,870	\$ 29,583,285	\$ 29,431,410
District's proportionate share of net other postemployment benefits liability as a percentage of its covered-employee payroll	21.95%	16.99%	60.64%	82.28%	93.48%	105.20%
Plan fiduciary net position as a percentage of total other postemployment benefits liability	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District presents information for those years for which information is available.

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
Last 10 Fiscal Years (Determined as of 6/30)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required other postemployment benefits contributions	\$ 2,092,655	\$ 2,505,559	\$ 1,879,137	\$ 1,994,683	\$ 2,274,328	\$ 2,142,484
Other postemployment benefits contributions in relation to statutorily required contributions	<u>2,092,655</u>	<u>2,505,559</u>	<u>1,879,137</u>	<u>1,994,683</u>	<u>2,274,328</u>	<u>2,142,484</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll (OPEB)	\$ 31,792,047	\$ 31,396,966	\$ 29,963,394	\$ 30,364,360	\$ 29,982,554	\$ 29,604,023
Other postemployment benefit contributions as a percentage of covered-employee payroll	6.58%	7.98%	6.27%	6.57%	7.59%	7.24%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District presents information for those years for which information is available.

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
For The Year Ended June 30, 2023

PENSION INFORMATION:

Benefit Changes – There were no changes of benefit terms in 2022.

Changes of Assumptions – The assumption changes for 2022 were:

- Discount rate for MIP, Basic and Pension Plus plans decreased to 6% from 6.8%.

OPEB INFORMATION:

Benefit Changes – there were no changes of benefit terms in 2022.

Changes of Assumptions – the assumption changes for 2022 were:

- Discount rate decreased to 6% from 6.95%.

OTHER SUPPLEMENTAL INFORMATION

FRASER PUBLIC SCHOOLS
GENERAL FUND
BALANCE SHEET
June 30, 2023

Exhibit AA

<u>ASSETS</u>	<u>2023</u>
ASSETS:	
Cash and cash equivalents	\$ 8,726,900
Accounts receivable	68,840
Taxes receivable	18,676
Prepaid expenditures	197,338
Due from other funds	6,104
Due from other governmental units	10,966,757
Total Assets	\$ 19,984,615
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>	
LIABILITIES:	
Accounts payable	\$ 708,364
Payroll deductions and withholdings	3,372,686
Salaries payable	3,647,761
Accrued expenses	2,184
Unearned revenue	1,396,102
Total Liabilities	\$ 9,127,097
DEFERRED INFLOWS OF RESOURCES:	
Unavailable revenue	\$ 18,676
FUND BALANCE:	
Non-spendable:	
Prepaid expenditures	\$ 197,338
Committed - Technology	792,844
Assigned to subsequent year budget	771,142
Unassigned	9,077,518
Total Fund Balance	\$ 10,838,842
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 19,984,615

See accompanying notes to financial statements.

**FRASER PUBLIC SCHOOLS
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2023**

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Local sources:			
Property taxes	\$ 6,153,384	\$ 6,150,178	\$ (3,206)
Interest and penalties on taxes	19,768	22,976	3,208
Interest on investments	198,000	210,901	12,901
Admissions	45,618	45,618	-
Dues and fees	98,996	107,161	8,165
Community services	1,009,682	1,028,548	18,866
Other local revenue	286,844	289,057	2,213
Total Local Sources	<u>\$ 7,812,292</u>	<u>\$ 7,854,439</u>	<u>\$ 42,147</u>
State Sources:			
State school aid	<u>\$ 53,256,888</u>	<u>\$ 53,120,224</u>	<u>\$ (136,664)</u>
Federal Sources:			
ESSER Fund	\$ 2,616,646	\$ 2,614,601	\$ (2,045)
Special Education	1,097,084	1,095,824	(1,260)
Other	<u>2,101,234</u>	<u>2,044,592</u>	<u>(56,642)</u>
Total Federal Sources	<u>\$ 5,814,964</u>	<u>\$ 5,755,017</u>	<u>\$ (59,947)</u>
Incoming transfers and other transactions:			
County Special Education Tax	\$ 811,937	\$ 811,937	\$ -
Enhancement millage	2,336,077	2,399,402	63,325
Intermediate and other source grants	<u>604,515</u>	<u>604,515</u>	<u>-</u>
Total Incoming Transfers and Other Transactions	<u>\$ 3,752,529</u>	<u>\$ 3,815,854</u>	<u>\$ 63,325</u>
Total Revenues	<u>\$ 70,636,673</u>	<u>\$ 70,545,534</u>	<u>\$ (91,139)</u>

(Continued)

**FRASER PUBLIC SCHOOLS
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL, CONTINUED
 For The Year Ended June 30, 2023**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES:			
Instruction:			
Basic Programs	\$ 30,419,096	\$ 29,936,344	\$ 482,752
Added Needs	9,148,278	8,985,449	162,829
Total Instruction	<u>\$ 39,567,374</u>	<u>\$ 38,921,793</u>	<u>\$ 645,581</u>
Supporting Services:			
Pupil	\$ 5,652,899	\$ 5,617,461	\$ 35,438
Instructional Staff	4,257,566	4,198,426	59,140
General Administration	614,304	583,509	30,795
School Administration	3,714,742	3,697,811	16,931
Business	1,059,049	1,025,798	33,251
Operations and Maintenance	7,498,356	7,290,378	207,978
Pupil Transportation	1,864,684	1,701,415	163,269
Central Services	1,672,312	1,593,150	79,162
Athletic Activities and Other Support Services	996,241	976,848	19,393
Total Supporting Services	<u>\$ 27,330,153</u>	<u>\$ 26,684,796</u>	<u>\$ 645,357</u>
Community Services	<u>\$ 1,531,886</u>	<u>\$ 1,502,606</u>	<u>\$ 29,280</u>
Total Expenditures	<u>\$ 68,429,413</u>	<u>\$ 67,109,195</u>	<u>\$ 1,320,218</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 2,207,260</u>	<u>\$ 3,436,339</u>	<u>\$ 1,229,079</u>
OTHER FINANCING SOURCES (USES):			
Incoming transfers	\$ 201,000	\$ 192,035	\$ (8,965)
Insurance recoveries	295,759	308,992	13,233
Proceeds from asset disposal	297,417	297,417	-
Building improvement services	(870,439)	(860,458)	9,981
Other	(172,025)	(172,026)	(1)
Total Other Financing Sources (Uses)	<u>\$ (248,288)</u>	<u>\$ (234,040)</u>	<u>\$ 14,248</u>
NET CHANGES IN FUND BALANCE	<u>\$ 1,958,972</u>	<u>\$ 3,202,299</u>	<u>\$ 1,243,327</u>
FUND BALANCE - JULY 1		<u>7,636,543</u>	
FUND BALANCE - JUNE 30		<u>\$ 10,838,842</u>	

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
2017 CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2023

ASSETS

ASSETS:

Cash and cash equivalents

\$ -

Total Assets

\$ -

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable

\$ -

Due to General Fund

-

Total Liabilities

\$ -

FUND BALANCE:

Restricted for capital projects

-

Total Liabilities and Fund Balance

\$ -

See accompanying notes to financial statements.

**FRASER PUBLIC SCHOOLS
2017 CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For The Year Ended June 30, 2023**

REVENUES:

Local sources:

Investment earnings (loss)

\$ 10,878

Other income

22,859**Total Revenues**\$ 33,737**EXPENDITURES:**

Building renovations

\$ 425,156

Technology

7,186

Furniture and equipment

814,329

Fees and other costs

41,672**Total Expenditures**\$ 1,288,343**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES**

\$ (1,254,606)

FUND BALANCE - JULY 11,254,606**FUND BALANCE - JUNE 30**\$ -

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
2023 CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2023

ASSETS

ASSETS:

Cash and cash equivalents \$ 29,912,231

Total Assets \$ 29,912,231

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable \$ 124,789

Total Liabilities \$ 124,789

FUND BALANCE:

Restricted for capital projects 29,787,442

Total Liabilities and Fund Balance \$ 29,912,231

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
2023 CAPITAL PROJECTS FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2023

REVENUES:

Local Source:

Investment earnings (loss)

\$ -
-

Total Revenues

\$ -

EXPENDITURES:

Building renovations

Fees and other costs

\$ -
269,219

Total Expenditures

\$ 269,219

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES

\$ (269,219)

OTHER FINANCING SOURCES (USES)

Proceeds from the issuance of debt

Premium received on issued debt

\$ 27,415,000
2,641,661

Total Other Financing Sources

\$ 30,056,661

FUND BALANCE - JULY 1

-

FUND BALANCE - JUNE 30

\$ 29,787,442

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 June 30, 2023

	SPECIAL REVENUE FUNDS	DEBT RETIREMENT FUND	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,830,209	\$ 247,042	\$ 2,077,251
Inventories	20,461	-	20,461
Prepaid expenditures	8,090	-	8,090
Taxes receivable	-	27,633	27,633
Due from other governmental units	97,080	-	97,080
Total Assets	\$ 1,955,840	\$ 274,675	\$ 2,230,515
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
LIABILITIES:			
Accounts payable	\$ 112,712	\$ 2,810	\$ 115,522
Due to other funds	5,915	189	6,104
Unearned revenue	76,281	-	76,281
Total Liabilities	\$ 194,908	\$ 2,999	\$ 197,907
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	\$ -	\$ 27,633	\$ 27,633
FUND BALANCES:			
Non-spendable:			
Prepaid expenditures and inventories	\$ 28,551	\$ -	\$ 28,551
Restricted for debt service	-	244,043	244,043
Restricted for student/school activity	621,051	-	621,051
Restricted for food service	1,111,330	-	1,111,330
Total Fund Balances	\$ 1,760,932	\$ 244,043	\$ 2,004,975
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,955,840	\$ 274,675	\$ 2,230,515

See accompanying notes to financial statements.

**FRASER PUBLIC SCHOOLS
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 For The Year Ended June 30, 2023**

	SPECIAL REVENUE FUNDS	DEBT RETIREMENT FUND	TOTAL
REVENUES:			
Local sources	\$ 3,140,499	\$ 7,031,338	\$ 10,171,837
State sources	101,374	468,136	569,510
Federal sources	1,672,364	280,071	1,952,435
Total Revenues	\$ 4,914,237	\$ 7,779,545	\$ 12,693,782
EXPENDITURES:			
Salaries and wages	\$ 734,154	\$ -	\$ 734,154
Employee benefits	441,929	-	441,929
Purchased services	309,375	-	309,375
Supplies, materials and other	1,775,127	-	1,775,127
Debt service:			
Principal	-	5,425,000	5,425,000
Interest	-	3,387,305	3,387,305
Paying agent fees and expense	-	11,672	11,672
Capital outlay and other expenditures	1,591,319	-	1,591,319
Total Expenditures	\$ 4,851,904	\$ 8,823,977	\$ 13,675,881
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 62,333	\$ (1,044,432)	\$ (982,099)
OTHER FINANCING SOURCES (USES):			
Proceeds from issuance of debt	\$ -	\$ 967,540	\$ 967,540
Transfers to other funds	(192,035)	-	(192,035)
Total Other Financing Sources (Uses)	\$ (192,035)	\$ 967,540	\$ 775,505
NET CHANGE IN FUND BALANCES	\$ (129,702)	\$ (76,892)	\$ (206,594)
FUND BALANCES - JULY 1	1,890,634	320,935	2,211,569
FUND BALANCES - JUNE 30	\$ 1,760,932	\$ 244,043	\$ 2,004,975

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
 SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 June 30, 2023

	CAFETERIA FUND	STUDENT/SCHOOL ACTIVITY FUND	TOTAL
<u>ASSETS</u>			
ASSETS:			
Cash and cash equivalents	\$ 1,209,158	\$ 621,051	\$ 1,830,209
Inventories	20,461	-	20,461
Prepaid expenses	8,090	-	8,090
Due from other governmental units	97,080	-	97,080
Total Assets	\$ 1,334,789	\$ 621,051	\$ 1,955,840
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES:			
Accounts payable	\$ 112,712	\$ -	\$ 112,712
Due to other funds	5,915	-	5,915
Unearned revenue	76,281	-	76,281
Total Liabilities	\$ 194,908	\$ -	\$ 194,908
FUND BALANCE:			
Non-spendable:	\$ 28,551	\$ -	\$ 28,551
Restricted	1,111,330	621,051	1,732,381
Total Fund Balance	\$ 1,139,881	\$ 621,051	\$ 1,760,932
Total Liabilities and Fund Balance	\$ 1,334,789	\$ 621,051	\$ 1,955,840

See accompanying notes to financial statements.

**FRASER PUBLIC SCHOOLS
 SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 For The Year Ended June 30, 2023**

	CAFETERIA FUND	STUDENT/SCHOOL ACTIVITY FUND	TOTAL
REVENUES:			
Local revenues	\$ 1,564,612	\$ 1,575,887	\$ 3,140,499
State aid	101,374	-	101,374
Federal aid and commodities	1,672,364	-	1,672,364
Total Revenues	\$ 3,338,350	\$ 1,575,887	\$ 4,914,237
EXPENDITURES:			
Salaries and wages	\$ 734,154	\$ -	\$ 734,154
Employee benefits	441,929	-	441,929
Purchased services	309,375	-	309,375
Supplies	1,775,127	-	1,775,127
Capital outlay	72,108	-	72,108
Other expenditures	23,813	1,495,398	1,519,211
Total Expenditures	\$ 3,356,506	\$ 1,495,398	\$ 4,851,904
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (18,156)	\$ 80,489	\$ 62,333
OTHER FINANCING SOURCES (USES):			
Transfer to General Fund	\$ (192,035)	\$ -	\$ (192,035)
Total Other Financing Sources (Uses)	\$ (192,035)	\$ -	\$ (192,035)
NET CHANGE IN FUND BALANCE	\$ (210,191)	\$ 80,489	\$ (129,702)
FUND BALANCE - JULY 1	1,350,072	540,562	1,890,634
FUND BALANCE - JUNE 30	\$ 1,139,881	\$ 621,051	\$ 1,760,932

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
DEBT RETIREMENT FUNDS
BALANCE SHEET
June 30, 2023

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
ASSETS:		
Cash and cash equivalents	\$ 247,042	\$ 321,073
Taxes receivable	<u>27,633</u>	<u>29,071</u>
Total Assets	<u><u>\$ 274,675</u></u>	<u><u>\$ 350,144</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
LIABILITIES:		
Accounts payable	\$ 2,810	\$ -
Due to other funds	<u>189</u>	<u>138</u>
Total Liabilities	<u>\$ 2,999</u>	<u>\$ 138</u>
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue	27,633	29,071
FUND BALANCES:		
Restricted for debt retirement	<u>244,043</u>	<u>320,935</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 274,675</u></u>	<u><u>\$ 350,144</u></u>

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
DEBT RETIREMENT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For The Year Ended June 30, 2023

	<u>2023</u>
REVENUES:	
Property taxes	\$ 6,857,669
Other taxes	26,712
State payment in lieu of taxes	468,136
Interest and penalties on delinquent taxes	19,154
Interest on investments	127,803
Federal interest subsidy - QSCB	<u>280,071</u>
Total Revenues	<u>\$ 7,779,545</u>
EXPENDITURES:	
Debt Service:	
Bond and note principal	\$ 5,425,000
Bond and note interest	3,387,305
Paying agent fees and other expenses	<u>11,672</u>
Total Expenditures	<u>\$ 8,823,977</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,044,432)</u>
OTHER FINANCING SOURCES (USES):	
Proceeds from the issuance of debt	<u>967,540</u>
NET CHANGE IN FUND BALANCE	<u>\$ (76,892)</u>
FUND BALANCE - JULY 1	<u>320,935</u>
FUND BALANCE - JUNE 30	<u><u>\$ 244,043</u></u>

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

OTHER INFORMATION

FRASER PUBLIC SCHOOLS
 TAX SUMMARY
 June 30, 2023

	GENERAL FUND	DEBT RETIREMENT FUND	TOTAL
AMOUNT OF TAXES LEVIED:			
City of Fraser	\$ 3,541,916	\$ 3,619,315	\$ 7,161,231
City of Roseville	717,561	603,124	1,320,685
Township of Clinton	1,881,864	2,629,853	4,511,717
Total Levy	\$ 6,141,341	\$ 6,852,292	\$ 12,993,633
TAX COLLECTIONS TO JUNE 30, 2023:			
City of Fraser	\$ 3,536,957	\$ 3,610,222	\$ 7,147,179
City of Roseville	715,661	600,487	1,316,148
Township of Clinton	1,878,561	2,625,968	4,504,529
Total Collections	\$ 6,131,179	\$ 6,836,677	\$ 12,967,856
DELINQUENT TAXES - JUNE 30, 2023:			
City of Fraser	\$ 4,959	\$ 9,093	\$ 14,052
City of Roseville	1,900	2,637	4,537
Township of Clinton	3,303	3,885	7,188
Total Delinquent Taxes	\$ 10,162	\$ 15,615	\$ 25,777
RATE IN MILLS:			
City of Fraser and Roseville and Township of Clinton:			
Homestead	-	7.0000	7.0000
Non-Homestead	18.0000	7.0000	25.0000
	HOMESTEAD	NON-HOMESTEAD	TOTAL
TAXABLE VALUE:			
City of Fraser	\$ 323,584,296	\$ 193,497,370	\$ 517,081,666
City of Roseville	46,433,787	39,847,543	86,281,330
Township of Clinton	274,018,365	103,779,591	377,797,956
Total Taxable Value	\$ 644,036,448	\$ 337,124,504	\$ 981,160,952

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
 SCHEDULE OF BOND AND NOTE INDEBTEDNESS
 June 30, 2023

BUILDING AND SITE BONDS - SERIES B (QSCB) DATED MAY 11, 2011
 (INTEREST DUE SEMI-ANNUALLY, MAY 1 AND NOVEMBER 1)

INTEREST RATE	MATURITY DATE MAY 1	PRINCIPAL	INTEREST	FEDERAL SUBSIDY	NET INTEREST
6.05%	2024	\$ 1,400,000	\$ 255,612	\$ (223,080)	\$ 32,532
6.05%	2025	1,400,000	170,912	(149,160)	21,752
6.05%	2026	<u>1,425,000</u>	<u>86,212</u>	<u>(75,240)</u>	<u>10,972</u>
		<u>\$ 4,225,000</u>	<u>\$ 512,736</u>	<u>\$ (447,480)</u>	<u>\$ 65,256</u>

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
SCHEDULE OF BOND AND NOTE INDEBTEDNESS
June 30, 2023

REFUNDING BONDS DATED FEBRUARY 4, 2015
(INTEREST DUE SEMI-ANNUALLY, MAY 1 AND NOVEMBER 1)

INTEREST RATE	MATURITY DATE MAY 1	PRINCIPAL	INTEREST
5.000%	2024	\$ 3,100,000	\$ 1,258,750
5.000%	2025	3,255,000	1,103,750
5.000%	2026	3,420,000	941,000
5.000%	2027	3,590,000	770,000
5.000%	2028	3,770,000	590,500
5.000%	2029	3,945,000	402,000
5.000%	2030	4,095,000	204,750
		<u>\$ 25,175,000</u>	<u>\$ 5,270,750</u>

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
 SCHEDULE OF BOND AND NOTE INDEBTEDNESS
 June 30, 2023

REFUNDING BONDS DATED JUNE 22, 2017
 (INTEREST DUE SEMI-ANNUALLY, MAY 1 AND NOVEMBER 1)

INTEREST RATE	MATURITY DATE MAY 1	PRINCIPAL	INTEREST
5.000%	2024	\$ -	\$ 344,750
5.000%	2025	-	344,750
5.000%	2026	-	344,750
5.000%	2027	455,000	344,750
5.000%	2028	460,000	322,000
5.000%	2029	460,000	299,000
5.000%	2030	460,000	276,000
5.000%	2031	460,000	253,000
5.000%	2032	460,000	230,000
5.000%	2033	460,000	207,000
5.000%	2034	460,000	184,000
5.000%	2035	460,000	161,000
5.000%	2036	460,000	138,000
5.000%	2037	460,000	115,000
5.000%	2038	460,000	92,000
5.000%	2039	460,000	69,000
5.000%	2040	460,000	46,000
5.000%	2041	460,000	23,000
		<u>\$ 6,895,000</u>	<u>\$ 3,794,000</u>

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
 SCHEDULE OF BOND AND NOTE INDEBTEDNESS
 June 30, 2023

BUILDING AND SITE BONDS - DATED JUNE 22, 2017
 (INTEREST DUE SEMI-ANNUALLY, MAY 1 AND NOVEMBER 1)

INTEREST RATE	MATURITY DATE MAY 1	PRINCIPAL	INTEREST
5.000%	2024	\$ 1,075,000	\$ 982,500
5.000%	2025	550,000	928,750
5.000%	2026	550,000	901,250
5.000%	2027	575,000	873,750
5.000%	2028	600,000	845,000
5.000%	2029	625,000	815,000
5.000%	2030	650,000	783,750
5.000%	2031	675,000	751,250
5.000%	2032	700,000	717,500
5.000%	2033	725,000	682,500
5.000%	2034	750,000	646,250
5.000%	2035	775,000	608,750
5.000%	2036	800,000	570,000
5.000%	2037	825,000	530,000
5.000%	2038	850,000	488,750
5.000%	2039	875,000	446,250
5.000%	2040	900,000	402,500
5.000%	2041	950,000	357,500
5.000%	2042	975,000	310,000
5.000%	2043	1,000,000	261,250
5.000%	2044	1,025,000	211,250
5.000%	2045	1,050,000	160,000
5.000%	2046	1,075,000	107,500
5.000%	2047	1,075,000	53,750
		<u>\$ 19,650,000</u>	<u>\$ 13,435,000</u>

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
 SCHEDULE OF BOND AND NOTE INDEBTEDNESS
 June 30, 2023

REFUNDING BONDS DATED OCTOBER 30, 2019
 (INTEREST DUE SEMI-ANNUALLY, MAY 1 AND NOVEMBER 1)

INTEREST RATE	MATURITY DATE MAY 1	PRINCIPAL	INTEREST
2.328%	2024	\$ -	\$ 259,742
2.088%	2025	1,080,000	259,742
2.188%	2026	1,175,000	237,192
2.280%	2027	2,100,000	211,483
2.330%	2028	2,175,000	163,603
2.380%	2029	2,250,000	112,925
2.500%	2030	2,375,000	59,375
		<u>\$ 11,155,000</u>	<u>\$ 1,304,062</u>

See accompanying notes to financial statements.

FRASER PUBLIC SCHOOLS
 SCHEDULE OF BOND AND NOTE INDEBTEDNESS
 June 30, 2023

BUILDING AND SITE BONDS - DATED JUNE 29, 2023
 (INTEREST DUE SEMI-ANNUALLY, MAY 1 AND NOVEMBER 1)

INTEREST RATE	MATURITY DATE MAY 1	PRINCIPAL	INTEREST
5.000%	2024	\$ -	\$ 1,149,907
5.000%	2025	-	1,370,750
5.000%	2026	-	1,370,750
5.000%	2027	430,000	1,370,750
5.000%	2028	455,000	1,349,250
5.000%	2029	480,000	1,326,500
5.000%	2030	505,000	1,302,500
5.000%	2031	880,000	1,277,250
5.000%	2032	930,000	1,233,250
5.000%	2033	980,000	1,186,750
5.000%	2034	1,030,000	1,137,750
5.000%	2035	1,110,000	1,086,250
5.000%	2036	1,165,000	1,030,750
5.000%	2037	1,220,000	972,500
5.000%	2038	1,285,000	911,500
5.000%	2039	1,345,000	847,250
5.000%	2040	1,415,000	780,000
5.000%	2041	1,485,000	709,250
5.000%	2042	1,560,000	635,000
5.000%	2043	1,640,000	557,000
5.000%	2044	1,720,000	475,000
5.000%	2045	1,805,000	389,000
5.000%	2046	1,895,000	298,750
5.000%	2047	1,990,000	204,000
5.000%	2048	2,090,000	104,500
		<u>\$ 27,415,000</u>	<u>\$ 23,076,157</u>

See accompanying notes to financial statements.