DANSVILLE SCHOOLS

REPORT ON FINANCIAL STATEMENTS
(with required supplementary and additional supplementary information)

YEAR ENDED JUNE 30, 2023

Maner Costerisan

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Dansville Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dansville Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Dansville 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 Dansville 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 Dansville Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dansville 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.

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 Dansville 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 Dansville Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2023 on our consideration of Dansville Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dansville Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dansville Schools' internal control over financial reporting and compliance.

Maner Costerisan PC

August 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Dansville Schools (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL OVERVIEW

- For the 2022-2023 fiscal year, the general fund balance increased by $171,915, compared to an increase of $153,068 in the 2021-2022 fiscal year.

- During the 2022-2023 fiscal year compared to 2021-2022, general fund revenues increased by $1,116,329 (12.2%), while expenditures increased by $1,093,620 (12.1%).

- Student enrollment decreased by approximately 29 FTE from the Fall 2021 count to the Fall 2022 count.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

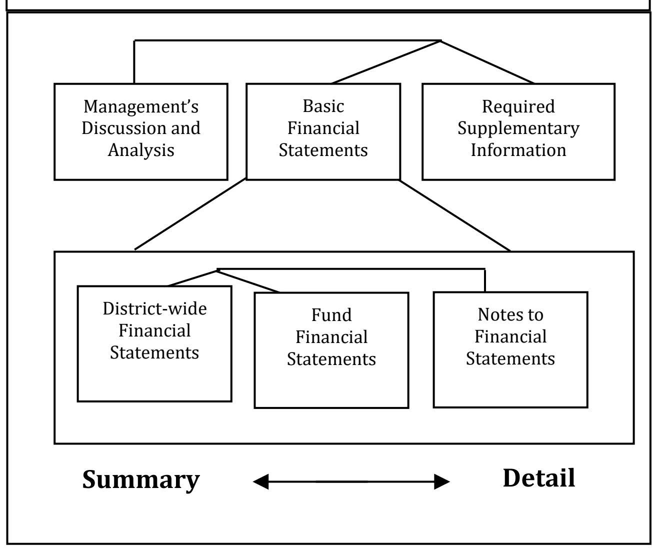
- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide notes to financial statements.

- The governmental funds statements tell how basic services like instruction and support services were financed in the short-term as well as what remains for future spending.

- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as *a trustee or agent* for the benefit of others.

Figure A-1
Organization of Dansville Schools' Annual Financial Report



The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year and certain pension and other postemployment benefit information. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-2
Major Features of District-wide and Fund Financial Statements

	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures and changes in fund balances	* Statement of fiduciary net position * Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term, the District's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DISTRICT-WIDE STATEMENTS

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statements of net position include all of the District's assets, deferred outflows, deferred inflows and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities:

- Governmental Activities - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

FUND FINANCIAL STATEMENTS

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

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like repaying obligations, and its capital projects fund) or to show that it is properly using certain revenues (like school lunch and student/school activities).

The District has two kinds of funds:

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

- Fiduciary Funds - The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position - The District's combined net position is summarized as of June 30, 2023 and 2022.

Table A-3
Dansville Schools' Net Position

	2023	2022
ASSETS		
Current or other assets	$ 6,056,172	$ 5,028,925
Capital assets, net of depreciation	30,308,149	30,789,586
TOTAL ASSETS	36,364,321	35,818,511
DEFERRED OUTFLOWS OF RESOURCES	5,298,152	2,720,981
LIABILITIES		
Other liabilities	2,530,209	2,262,847
Noncurrent liabilities	24,549,334	25,264,403
Net pension liability	13,681,665	8,578,890
Net other postemployment benefit liability	783,800	555,678
TOTAL LIABILITIES	41,545,008	36,661,818
DEFERRED INFLOWS OF RESOURCES	2,851,956	5,989,395
NET POSITION		
Net investment in capital assets	6,531,644	5,855,793
Restricted for debt service	359,290	266,137
Restricted for capital projects	349,124	348,868
Restricted for food service	184,563	45,796
Unrestricted	(10,159,112)	(10,628,315)
TOTAL NET POSITION	$ (2,734,491)	$ (4,111,721)

Table A-4
Changes in Dansville Schools' Net Position

	2023	2022
REVENUES		
Program revenues		
Charges for services	$ 247,262	$ 162,570
Operating grants and contributions	3,048,568	2,405,574
General revenues		
Property taxes	2,708,041	2,632,056
State aid - unrestricted	5,457,112	5,674,261
Intermediate sources	795,111	768,560
Investment earnings	88,747	3,120
Other	555,882	9,757
TOTAL REVENUES	12,900,723	11,655,898
EXPENSES		
Instruction	5,164,323	4,350,772
Support services	3,825,588	3,182,330
Community services	545	381
Food services	401,979	505,186
Student/school activities	245,839	179,356
Interest on long-term debt	947,527	966,543
Unallocated depreciation	937,692	926,216
TOTAL EXPENSES	11,523,493	10,110,784
Change in net position	$ 1,377,230	$ 1,545,114

DISTRICT GOVERNMENTAL ACTIVITIES

The District's financial condition has resulted from a number of factors including the following:

- Proposal A established the student foundation grant concept. The foundation grant for Dansville Schools has increased from $5,321 per student in 1995 to $9,150 per student in 2023.

- The District continues to work earnestly to align expenditures with revenue each year.

- The District strives to manage staffing levels in accordance with student count and seeks to save money in non-instructional areas whenever possible.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

- The District's combined fund balance is $3,676,088 compared to $2,920,578 in 2022, an increase of $755,510.
- The excess of revenues over expenditures for the general fund was $171,915 for 2023 and $153,068 for 2022.
- The 2016 debt service fund balance increased by $54,678 during 2023 versus an increase of $1,469 for 2022.

GENERAL FUND AND BUDGET HIGHLIGHTS

- During the 2022-2023 fiscal year the original District budget was amended to reflect changes which affected the District. Changes included adjustments for State School Aid, federal sources, property tax revenues, and actual staffing costs and other expenditure changes. The final budget was amended to show an ending fund balance of $1,409,057 while the actual fund balance for the year was $1,794,753.
- General fund revenues were $302,300 less than budgeted primarily due to unspent federal grants. General fund expenditures were $689,170 under budget which is 6.4% of total expenditures, primarily due to tight budgetary controls.

CAPITAL ASSET AND LONG-TERM OBLIGATION ADMINISTRATION

Capital Assets

The District's capital assets are as follows:

Table A-5
Dansville Schools' Capital Assets

	2023			2022
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 172,351	$ -	$ 172,351	$ 172,351
Construction in progress	201,782	-	201,782	-
Buildings and additions	42,384,335	13,090,495	29,293,840	29,906,868
Equipment and technology	1,414,778	800,166	614,612	706,004
Vehicles	292,331	266,767	25,564	4,363
Total	$ 44,465,577	$ 14,157,428	$ 30,308,149	$ 30,789,586

For more information see the notes to the financial statements.

Long-Term Obligations

At year end the District had long-term obligations outstanding as shown in Table A-6. More detailed information is available in the notes to the financial statements.

Table A-6
Dansville Schools
Outstanding Long-Term Debt

	2023	2022
General obligation bonds	$ 23,630,528	$ 24,252,158
Notes from direct borrowings and direct placements	681,635	681,635
Compensated absences and other benefits	220,019	279,358
	$ 24,532,182	$ 25,213,151

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- Contracts with the District's teachers and support staff bargaining units expire on June 30, 2024.
- When developing the budget for 2023-2024 the district estimated an increase of $458 in the per pupil foundation. Since adopting the budget, the state school aid budget passed with an increase of $458 per pupil.
- For 2023-2024 the district assumed traditional funding based primarily on Fall 2022 and Spring 2023 counts and budgeted with a count of 735.
- In addition, the District will be receiving ESSER III in the amount $240,105 and $60,041 of 11t Equalization Funds as part of the COVID -19 relief funding efforts passed in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) and the American Rescue Plan Act (ARPA). The last year of COVID-19 federal stimulus dollars is the 2023-24 year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the central administration, Dansville Schools, 1264 Adams Street, Dansville, MI 48819-0187.

BASIC FINANCIAL STATEMENTS

DANSVILLE SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 2,956,580
Investments	1,133,728
Investments - restricted for capital projects	161
Receivables	
Accounts receivable	153,098
Intergovernmental	1,618,707
Due from custodial fund	15,614
Inventories	9,186
Prepaids	169,098
Capital assets, not being depreciated	374,133
Capital assets, net of accumulated depreciation	29,934,016
TOTAL ASSETS	36,364,321
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension	4,190,252
Related to other postemployment benefit	1,107,900
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,298,152
LIABILITIES	
Accounts payable	528,798
Accrued interest payable	171,285
Accrued salaries and related items	429,856
Accrued retirement	302,767
Notes payable	726,483
Unearned revenue	371,020
Noncurrent liabilities	
Due within one year	594,004
Due in more than one year	23,938,178
Accrued interest due in more than one year	17,152
Net pension liability	13,681,665
Net other postemployment benefit liability	783,800
TOTAL LIABILITIES	41,545,008
DEFERRED INFLOWS OF RESOURCES	
Related to pension	145,073
Related to other postemployment benefit	1,698,507
Related to state aid funding for pension	1,008,376
TOTAL DEFERRED INFLOWS OF RESOURCES	2,851,956
NET POSITION	
Net investment in capital assets	6,531,644
Restricted for debt service	359,290
Restricted for capital projects (sinking fund)	349,124
Restricted for food service	184,563
Unrestricted	(10,159,112)
TOTAL NET POSITION	$ (2,734,491)

See notes to financial statements.

DANSVILLE SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

		Program Revenues		Governmental Activities
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	$ 5,164,323	$ -	$ 2,411,855	$ (2,752,468)
Support services	3,825,588	81,307	77,866	(3,666,415)
Community services	545	1,135	-	590
Food services	401,979	164,820	291,192	54,033
Student/school activities	245,839	-	267,655	21,816
Interest on long-term debt	947,527	-	-	(947,527)
Unallocated depreciation	937,692	-	-	(937,692)
Total governmental activities	$ 11,523,493	$ 247,262	$ 3,048,568	(8,227,663)
General revenues				
Property taxes, levied for general purposes				924,586
Property taxes, levied for debt service				1,564,591
Property taxes, levied for capital projects (sinking fund)				218,864
State sources - unrestricted				5,457,112
Intermediate sources				795,111
Investment earnings				88,747
Other				555,882
Total general revenues				9,604,893
CHANGE IN NET POSITION				1,377,230
NET POSITION, beginning of year				(4,111,721)
NET POSITION, end of year				$ (2,734,491)

See notes to financial statements.

DANSVILLE SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	2016 Capital Projects Fund	2016 Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,161,252	$ 435,497	$ 526,567	$ 833,264	$ 2,956,580
Investments	1,038,296	-	-	95,432	1,133,728
Investments - restricted for capital projects	-	161	-	-	161
Receivables					
Accounts receivable	-	150,000	-	3,098	153,098
Intergovernmental	1,614,918	-	-	3,789	1,618,707
Due from custodial fund	15,614	-	-	-	15,614
Inventories	-	-	-	9,186	9,186
Prepaids	169,098	-	-	-	169,098
TOTAL ASSETS	$ 3,999,178	$ 585,658	$ 526,567	$ 944,769	$ 6,056,172
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 361,233	$ 50,000	$ -	$ 117,565	$ 528,798
Accrued interest payable	21,160	-	-	-	21,160
Accrued salaries and related items	427,898	-	-	1,958	429,856
Accrued retirement	302,767	-	-	-	302,767
Unearned revenue	364,884	-	-	6,136	371,020
Notes payable	726,483	-	-	-	726,483
TOTAL LIABILITIES	2,204,425	50,000	-	125,659	2,380,084

See notes to financial statements.

	General Fund	2016 Capital Projects Fund	2016 Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
FUND BALANCES					
Nonspendable					
Inventories	$ -	$ -	$ -	$ 9,186	$ 9,186
Prepaids	169,098	-	-	-	169,098
Restricted for:					
Debt service	-	-	526,567	-	526,567
Capital projects	-	535,658	-	349,124	884,782
Food service	-	-	-	267,097	267,097
Committed for student/school activities	-	-	-	193,703	193,703
Assigned for:					
Subsequent year's expenditures	54,673	-	-	-	54,673
Unassigned - general fund	1,570,982	-	-	-	1,570,982
TOTAL FUND BALANCES	1,794,753	535,658	526,567	819,110	3,676,088
TOTAL LIABILITIES AND FUND BALANCES	$ 3,999,178	$ 585,658	$ 526,567	$ 944,769	$ 6,056,172

Total governmental fund balances		$ 3,676,088
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows of resources - related to pension		4,190,252
Deferred inflows of resources - related to pension		(145,073)
Deferred outflows of resources - related to other postemployment benefit		1,107,900
Deferred inflows of resources - related to other postemployment benefit		(1,698,507)
Deferred inflows of resources - related to state funding for pension benefits		(1,008,376)
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
The cost of the capital assets is	$ 44,465,577	
Accumulated depreciation is	(14,157,428)	
		30,308,149
Long-term liabilities are not due and payable in the current period and are not reported in the funds:		
Bonds and other long-term debt		(24,312,163)
Compensated absences and other benefits		(220,019)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid		(167,277)
Net pension liability		(13,681,665)
Net other postemployment benefits liability		(783,800)
Net position of governmental activities		$ (2,734,491)

See notes to financial statements.

DANSVILLE SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	2016 Capital Projects Fund	2016 Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Local sources					
Property taxes	$ 924,586	$ -	$ 1,564,591	$ 218,864	$ 2,708,041
Food sales	-	-	-	164,820	164,820
Athletics	76,207	-	-	-	76,207
Student/school activities	-	-	-	267,655	267,655
Other local sources	109,584	535,658	-	522	645,764
Total local sources	1,110,377	535,658	1,564,591	651,861	3,862,487
State sources	7,700,523	-	1,590	50,589	7,752,702
Federal sources	607,009	-	-	241,385	848,394
Incoming transfers and other	869,721	-	-	-	869,721
TOTAL REVENUES	10,287,630	535,658	1,566,181	943,835	13,333,304
EXPENDITURES					
Current					
Instruction	5,868,535	-	-	-	5,868,535
Supporting services	4,269,288	-	-	-	4,269,288
Food service activities	-	-	-	462,172	462,172
Student/school activities	-	-	-	245,839	245,839
Community service activities	545	-	-	-	545

See notes to financial statements.

	General Fund	2016 Capital Projects Fund	2016 Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
EXPENDITURES (continued)					
Capital outlay	$ -	$ -	$ -	$ 219,912	$ 219,912
Debt service					
Principal repayment	-	-	525,000	-	525,000
Interest	-	-	986,002	-	986,002
Other	-	-	501	-	501
TOTAL EXPENDITURES	10,138,368	-	1,511,503	927,923	12,577,794
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	149,262	535,658	54,678	15,912	755,510
OTHER FINANCING SOURCES (USES)					
Transfers in	22,655	-	-	2	22,657
Transfers out	(2)	-	-	(22,655)	(22,657)
Total other financing sources (uses)	22,653	-	-	(22,653)	-
NET CHANGE IN FUND BALANCES	171,915	535,658	54,678	(6,741)	755,510
FUND BALANCES					
Beginning of year	1,622,838	-	471,889	825,851	2,920,578
End of year	$ 1,794,753	$ 535,658	$ 526,567	$ 819,110	$ 3,676,088

See notes to financial statements.

DANSVILLE SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net change in fund balances total governmental funds	$ 755,510
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(937,692)
Capital outlay	456,255
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable, beginning of the year	205,752
Accrued interest payable, end of the year	(167,277)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items are as follows:	
Payments on debt	525,000
Amortization of bond premium	96,630
Compensated absences and other benefits are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences and other benefits, beginning of the year	279,358
Accrued compensated absences and other benefits, end of the year	(220,019)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Pension related items	165,464
Other postemployment benefit related items	650,830
Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions made subsequent to the measurement period:	
State aid funding for pension	(432,581)
Change in net position of governmental activities	$ 1,377,230

See notes to financial statements.

DANSVILLE SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Custodial Fund
ASSETS	
Cash and cash equivalents	$ 190,321
LIABILITIES AND NET POSITION	
Accounts payable	8,149
Due to Dansville Schools	15,614
Other liabilities	37,704
TOTAL LIABILITIES	61,467
NET POSITION	
Restricted for student organizations	$ 128,854

See notes to financial statements.

DANSVILLE SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FICUCIARY FUNDS
YEAR ENDED JUNE 30, 2023

	Custodial Fund
ADDITIONS	
Student activities income	$ 17,693
DEDUCTIONS	
Payments made on behalf of student organizations	22,297
CHANGE IN NET POSITION	(4,604)
NET POSITION	
Beginning of year	133,458
End of year	$ 128,854

See notes to financial statements.

DANSVILLE SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. All fiduciary activities are reported only in the fund financial statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

Reporting Entity

The Dansville Schools (the "District") is governed by the Dansville Schools Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

Basis of Presentation

Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following *Major Governmental Funds*:

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

The *2016 Capital Projects Fund* accounts for the debt proceeds received in August of the prior year that are restricted to expenditures for capital outlays for voter-approved purposes. The *2016 Capital Projects Fund* includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the school district has complied with the applicable provisions of §1351a of the Revised School Code.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Fund Financial Statements (continued)

Beginning with the year of bond issuance, the district has reported the annual construction activity in the *2016 capital projects fund*. The projects for which the 2016 bonds were issued were completed as of June 30, 2019 and the cumulative revenues and expenditures recognized for the construction period were as follows:

	2016 Capital Projects Fund
Revenue and other financing sources	$ 27,703,060
Expenditures and outgoing transfers	$ 27,167,402

Revenue and other financing sources include the net bond proceeds of $26,593,885.

The *2016 Debt Service Fund* accounts for the resources accumulated and payments made for the principal and interest of the 2016 building and site bond.

Additionally, the District reports the following *Nonmajor Fund Types*:

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service and student/school activities as special revenue funds.

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

Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not included in the government-wide statements.

The *custodial fund* consists of assets for the benefit of individuals and the District does not have administrative involvement with the assets or direct financial involvement with the assets. In addition, the assets are not derived from the District's provision of goods or services to those individuals. This fund is used to account for assets that the District holds for others in an agency capacity (primarily student activities).

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The process of preparing 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 expenses. 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.

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

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, except for the recognition of certain liabilities to the beneficiaries of a fiduciary activity. Liabilities to beneficiaries are recognized when an event has occurred that compels the District to disburse fiduciary resources.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are generally 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term obligations are reported as other financing sources.

Property taxes, state and federal aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the current year ended, the foundation allowance was based on pupil membership counts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by Non-PRE property taxes which may be levied at a rate of up to 18 mills as well as 6 mills for Commercial Personal Property Tax. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as intergovernmental receivables.

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are generally considered to be measurable and available only when cash is received by the District.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. The capital projects funds are appropriated on a project-length basis. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The District does not utilize encumbrance accounting.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

a. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.

b. Public hearings are conducted to obtain taxpayer comments.

c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

d. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.

e. The budget was amended during the year with supplemental appropriations, the last one approved prior to year-end June 30, 2023. The District does not consider these amendments to be significant.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

In accordance with Michigan Compiled Laws, the District is authorized to invest in the following investment vehicles:

a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.

d. The United States government or federal agency obligations repurchase agreements.

e. Bankers acceptances of United States banks.

f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Investments (continued)

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include land, construction in progress, buildings and additions, equipment and technology, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Group purchases are evaluated on a case-by-case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

Land and construction in progress, if any, are not depreciated. The other property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Buildings and additions	7 - 50
Equipment and technology	5 - 20
Vehicles	8

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Defined Benefit Plans

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 benefit expense, information about the fiduciary net position of the Michigan Public Employees' Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows

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 two items that qualify for reporting in this category. They are the pension and other postemployment benefit related items reported in the government-wide statement of net position. These amounts are expensed in the plan year in which they apply.

Deferred Inflows

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 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.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

In the computation of net investment in capital assets, school loan revolving fund principal proceeds of $681,635 is considered capital related obligations. Accrued interest on the school loan revolving fund of $17,152 is not considered capital related obligations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action remains in place until a similar action is taken (the adoption of another board action) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education has by resolution authorized the superintendent and finance director to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Board is committed to maintaining a fiscally responsible fund balance of at least ten percent (10%) target, the budget for the year shall endeavor to include an allocation to increase the fund balance, and the amount to be added to the fund balance shall be an amount of at least ten percent (10%) of the projected balance for that year.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Revenues and Expenditures/Expenses (continued)</u>

Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

For the year ended June 30, 2023, the District levied the following amounts per $1,000 of assessed valuation:

Fund	Mills
General funds	
Non-Principal Residence Exemption (PRE)	18.0000
Commercial Personal Property	6.0000
2016 Debt service fund	
PRE, Non-PRE, Commercial Property	7.0000
Capital projects sinking fund	
PRE, Non-PRE, Commercial Property	0.9799

Compensated Absences and Other Benefits

The District's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary and related benefits, where applicable.

Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method over the term of the related obligations. Bond issuance costs are reported as expenditures in the year in which they are incurred.

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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2023, the District had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2023, $2,842,918 of the District's bank balance of $3,179,212 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was $3,145,801.

Custodial Credit Risk - Investments

For an investment, this 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 will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

Interest Rate Risk

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

Investment Type	Fair Value	Weight Average Maturity (Years)
MILAF External Investment pool- CMC	$ 944,332	N/A
MILAF External Investment pool- MAX	189,557	N/A
Total fair value	$ 1,133,889	

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk

The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Type	Fair Value	Rating	Rating Agency
MILAF External Investment pool- CMC	$ 944,332	AAAm	Standard & Poor's
MILAF External Investment pool- MAX	189,557	AAAm	Standard & Poor's
Total	$ 1,133,889		

Foreign Currency Risk

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

Fair Value Measurement

The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

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

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

The District voluntarily invests certain excess funds in external pooled investment funds which included money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF funds are considered external investment pools as defined by the GASB and as such are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures.

	Amortized Cost
MILAF External Investment pool- CMC	$ 944,332
MILAF External Investment pool- MAX	189,557
	$ 1,133,889

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1.

The following summarizes the categorization of these amounts as of June 30, 2023:

	Primary Government	Custodial Fund	Total
Cash and cash equivalents	$ 2,956,580	$ 190,321	$ 3,146,901
Investments	1,133,728	-	1,133,728
Investments - restricted for capital projects	161	-	161
Total	$ 4,090,469	$ 190,321	$ 4,280,790

NOTE 3 - CAPITAL ASSETS

A summary of changes in the District's capital assets follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 172,351	$ -	$ -	$ 172,351
Construction in progress	-	201,782	-	201,782
Total capital assets, being depreciated	172,351	201,782	-	374,133
Capital assets, being depreciated				
Buildings and additions	42,213,502	170,833	-	42,384,335
Equipment and technology	1,356,137	58,641	-	1,414,778
Vehicles	267,332	24,999	-	292,331
Total capital assets, being depreciated	43,836,971	254,473	-	44,091,444
Accumulated depreciation				
Buildings and additions	12,306,634	783,861	-	13,090,495
Equipment and technology	650,133	150,033	-	800,166
Vehicles	262,969	3,798	-	266,767
Total accumulated depreciation	13,219,736	937,692	-	14,157,428
Net capital assets being depreciated	30,617,235	(683,219)	-	29,934,016
Net governmental capital assets	$ 30,789,586	$ (481,437)	$ -	$ 30,308,149

Depreciation for the fiscal year ended June 30, 2023 amounted to $937,692. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLE

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

Other governmental units	
State aid	$ 1,434,528
Federal grants	184,179
	$ 1,618,707

NOTE 4 - INTERGOVERNMENTAL RECEIVABLE (continued)

Amounts due from governmental units include amounts due from federal, state, and local sources for various projects and programs.

Because of the District's favorable collection experience, no allowance for doubtful accounts has been recorded.

NOTE 5 - NOTES PAYABLE - STATE AID ANTICIPATION NOTES

At June 30, 2023, the District issued state aid anticipation notes payable in the amount of $1,250,000 (Note 2022 A-1, A-2). The notes bear interest rates of 1.97% and 1.99% and mature on July 20, 2023 and August 21, 2023, respectively. Proceeds of the notes were used to fund school operations. Note 2022 A-1 required payments to an irrevocable set-aside amount of $523,517 at June 30, 2023. In an event of a default on the note, the state may impose a penalty interest rate and at the state's discretion, accelerate the repayment terms. At year-end, the balance of these payments are considered defeased debt and are not included in the year-end balance. The notes are secured by the full faith and credit of the District as well as pledged state aid.

Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
$ 570,996	$ 1,250,000	$ 1,094,513	$ 726,483

NOTE 6 - LONG-TERM OBLIGATIONS

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The following is a summary of long-term obligations for the District for the year ended June 30, 2023:

	General Obligation Bonds	Notes from Direct Borrowings and Direct Placements	Compensated Absences and Other Benefits	Total
Balance July 1, 2022	$ 24,252,158	$ 681,635	$ 279,358	$ 25,213,151
Additions	-	-	11,183	11,183
Deletions	(621,630)	-	(70,522)	(692,152)
Balance June 30, 2023	23,630,528	681,635	220,019	24,532,182
Due within one year	(550,000)	-	(44,004)	(594,004)
Due in more than one year	$ 23,080,528	$ 681,635	$ 176,015	$ 23,938,178

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

Long-term obligations at June 30, 2023 are comprised of the following issues:

General Obligation Bonds	
$23,695,000 2016 Building and Site Bonds dated August 9, 2016, due in annual principal installments from $550,000 to $1,375,000 through May 1, 2046, with interest ranging from 4.00% to 5.00%, payable semi-annually.	$ 21,400,000
Plus premium on bond issuance, net of amortization	2,230,528
Total general obligation bonds	23,630,528
Notes from Direct Borrowings and Direct Placements	
Borrowings from the State of Michigan under the School Loan Revolving Fund Program, excluding interest at 4.11% at year end.	681,635
Total general obligation bonds and notes from direct borrowings and direct placements	24,312,163
Compensated absences and other benefits	220,019
Total long-term obligations	$ 24,532,182

Borrowing from the State of Michigan

The school loan revolving fund payable represents a note payable to the State of Michigan for loans made to the school district, as authorized by the State of Michigan Constitution, for the purpose of paying principal and interest on general obligation bonds of the school district issued for capital expenditures. Interest rates are to be annually determined by the State Administrative Board. Interest rate of 4.11% has been assessed for the year ended June 30, 2023. Repayment is required when the millage rate necessary to cover the annual bonded debt services falls below 7.00 mills. The school district is required to levy 7.00 mills and repay to the state any excess of the amount levied over the bonded debt service requirements. The District currently levies 7.00 debt mills. 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 following 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.

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

The annual requirements to amortize long-term obligations outstanding as of June 30, 2023, including interest for general obligation bonds and notes from direct borrowings and direct placements, respectively, are as follows:

Year Ending June 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	Notes from Direct Borrowings and Direct Placements Principal	Notes from Direct Borrowings and Direct Placements Interest	Compensated Absences and Other Benefits	Total
2024	$ 550,000	$ 900,750	$ -	$ -	$ -	$ 1,450,750
2025	575,000	873,250	-	-	-	1,448,250
2026	600,000	844,500	-	-	-	1,444,500
2027	625,000	814,500	-	-	-	1,439,500
2028	675,000	783,250	-	-	-	1,458,250
2029 - 2033	3,850,000	3,401,000	-	-	-	7,251,000
2034 - 2038	4,725,000	2,542,000	-	-	-	7,267,000
2039 - 2043	5,775,000	1,516,000	-	-	-	7,291,000
2044 - 2046	4,025,000	325,000	-	-	-	4,350,000
Total	21,400,000	12,000,250	-	-	-	33,400,250
Premium on bond issuance	2,230,528	-	-	-	-	2,230,528
Compensated absences and other benefits	-	-	-	-	220,019	220,019
School loan revolving fund	-	-	681,635	17,152	-	698,787
	$ 23,630,528	$ 12,000,250	$ 681,635	$ 17,152	$ 220,019	$ 36,549,584

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the Board's authority to promulgate or amend the provisions of the System. MPSERS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.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 of Michigan Investment Board serves as the investment fiduciary and custodian for the System.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided - Overall

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the 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

Benefits Provided - Pension

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.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (MPSERS) who became a member of MPSERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010, and who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (continued)

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

An amount determined by the member's election of Option 1, 2, 3, or 4 described below:

Option 1 - Members voluntarily elected to increase their contributions to the pension fund as noted below and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment.

- Basic plan members: 4% contribution
- Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

Option 2 - Members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

Option 3 - Members voluntarily elected not to increase their contribution to the pension fund and maintain their current level of contribution to the pension fund. The pension formula for their years of service as of the day before their transition date will include a 1.5% pension factor. The pension formula for any service thereafter will include a 1.25% pension factor.

Option 4 - Members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to the tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS to a 457 account. They vest in employer contributions and related earnings in their 401(k)-account based on the following schedule: 50% at 2 years, 75% at 3 years, and 100% at 4 years of service. They are 100% vested in any personal contributions and related earnings in their 457 account. Upon retirement, if they meet age and service requirements (including their total years of service), they would also receive a pension (calculated based on years of service and final average compensation as of the day before their transition date and a 1.5% pension factor).

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

Employees who first work on or after September 4, 2012 choose between two retirement plans: The Pension Plus Plan and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) - Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected Option 4, in which case the FAC is calculated at the transition date.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus Plan to newly hired employees as of February 1, 2018 and created a new, optional Pension Plus 2 Plan with similar plan benefit calculations but containing a 50/50 cost share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 Plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 Plan will close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law included other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

Benefits Provided - 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, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree health care recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members), the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members), have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

Retiree Healthcare Reform of 2012

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

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Regular Retirement (no reduction factor for age)

Eligibility - A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through their 60th birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

Annual Amount - The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

Member Contributions

Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other postemployment 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.

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

Pension and OPEB contributions made in the fiscal year ending September 30, 2022, were determined as of the September 30, 2019 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2019, are amortized over an 17-year period beginning October 1, 2021 and ending September 30, 2038.

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:

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (continued)

The District's pension contributions for the year ended June 30, 2023 were equal to the required contribution total. Total pension contributions were approximately $1,734,000. Of the total pension contributions approximately $1,659,000 was contributed to fund the Defined Benefit Plan and approximately $75,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2023 were equal to the required contribution total. Total OPEB contributions were approximately $322,000. Of the total OPEB contributions approximately $288,000 was contributed to fund the Defined Benefit Plan and approximately $34,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefit, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

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

Pension Liabilities

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 date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-university Employers	September 30, 2022	September 30, 2021
Total Pension Liability	$ 95,876,795,620	$ 86,392,473,395
Plan Fiduciary Net Position	$ 58,268,076,344	$ 62,717,060,920
Net Pension Liability	$ 37,608,719,276	$ 23,675,412,475
Proportionate Share	0.03638%	0.03624%
Net Pension Liability for the District	$ 13,681,665	$ 8,578,890

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

For the year ended June 30, 2023, the District recognized pension expense of $1,493,092.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 2,351,000	$ -
Net difference between projected and actual plan investment earnings	32,084	-
Differences between expected and actual experience	136,864	30,591
Changes in proportion and differences between employer contributions and proportionate share of contributions	97,960	114,482
Reporting Unit's contributions subsequent to the measurement date	1,572,344	-
	$ 4,190,252	$ 145,073

$1,572,344, reported as deferred outflows of resources related to pensions resulting from District employer 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 Ending September 30,	Amount
2023	$ 688,453
2024	541,292
2025	454,135
2026	788,955

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

OPEB Liabilities

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.

MPSERS (Plan) Non-university Employers	September 30, 2022	September 30, 2021
Total OPEB liability	$ 12,522,713,324	$ 12,046,393,511
Plan fiduciary net position	$ 10,404,650,683	$ 10,520,015,621
Net OPEB liability	$ 2,118,062,641	$ 1,526,377,890
Proportionate share	0.03701%	0.03641%
Net OPEB liability for the District	$ 783,800	$ 555,678

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

For the year ended June 30, 2023, the District recognized OPEB benefit of $362,743.

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
Changes of assumptions	$ 698,626	$ 56,886
Net difference between projected and actual plan investment earnings	61,260	-
Differences between expected and actual experience	-	1,535,164
Changes in proportion and differences between employer contributions and proportionate share of contributions	96,535	106,457
Reporting Unit's contributions subsequent to the measurement date	251,479	-
	$ 1,107,900	$ 1,698,507

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

$251,479, 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 Ending September 30,	Amount
2023	$ (331,342)
2024	(251,890)
2025	(222,820)
2026	(26,615)
2027	(10,738)
2028	1,319

Actuarial Assumptions

Investment Rate of Return for Pension - 6.00% a year, compounded annually net of investment and administrative expenses for the MIP, Basic, Pension Plus, and Pension Plus 2 Plan groups.

Investment Rate of Return for OPEB - 6.00% a year, compounded annually net of investment and administrative expenses.

Salary Increases - The rate of pay increase used for individual members is 2.75% - 11.55%, including wage inflation at 2.75%.

Inflation - 3.0%.

Mortality Assumptions -

Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Active: RP-2014 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Disabled Retirees: RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Experience Study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2021. Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2018, valuation.

The Long-Term Expected Rate of Return on Pension and Other Postemployment Benefit Plan Investments - The pension rate was 6.00% (MIP, Basic, Pension Plus Plan, and Pension Plus 2 Plan), and the other postemployment benefit rate was 6.00%, net of investment and administrative expenses determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Cost of Living Pension Adjustments - 3.0% annual non-compounded for MIP members.

Healthcare Cost Trend Rate for Other Postemployment Benefit – Pre 65, 7.75% for year one and graded to 3.5% in year fifteen. Post 65, 5.25% for year one and graded to 3.5% in year fifteen.

Additional Assumptions for Other Postemployment Benefit Only - Applies to Individuals Hired Before September 4, 2012:

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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Additional Assumptions for Other Postemployment Benefit Only (continued)

The target asset allocation at September 30, 2022 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	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%
	100.0%	

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

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

Pension Discount Rate - A single discount rate of 6.00% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 6.00%. The projection of cash flows used to determine this single discount rate assumed that plan member 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.

OPEB Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net pension liability calculated using a single discount rate of 6.00%, as well as what the Reporting Unit'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 than the current rate:

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting unit's proportionate share of the net pension liability	$ 18,054,715	$ 13,681,665	$ 10,078,075

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net OPEB liability calculated using a single discount rate of 6.00%, as well as what the Reporting Unit'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 that the current rate:

	Other Postemployment Benefit		
	1% Decrease	Discount Rate	1% Increase
Reporting unit's proportionate share of the net other postemployment benefit liability	$ 1,314,749	$ 783,800	$ 336,675

Sensitivity to the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability calculated using the healthcare cost trend rate, as well as what the Reporting Unit'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	Current Healthcare Cost Trend Rates	1% Increase
Reporting unit's proportionate share of the net other postemployment benefit liability	$ 328,218	$ 783,800	$ 1,295,200

Pension and OPEB Plan Fiduciary Net Position

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension and OPEB Plan Fiduciary Net Position (continued)

Payable to the Pension and OPEB Plan - At year end the School District is current on all required pension and other postemployment benefit 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 from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District participates in a distinct pool of educational institutions within the State of Michigan for self-insuring workers' disability compensation and property and casualty. The pool is considered a public entity risk pool. The District pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims in excess of $500,000 for each occurrence with the overall maximum coverage being unlimited. The District has not been informed of any special assessments being required.

The District continues to carry commercial insurance for other needs including health insurance, and accidental insurance.

NOTE 9 - TRANSFERS

The food service fund transferred $22,655 to the general fund during the current fiscal year to offset a portion of indirect costs paid by the general fund, while $2 from the general fund was transferred over to food service to cover at-risk meals.

NOTE 10 - SUBSEQUENT EVENTS

The District has approved borrowing up to $800,000 for fiscal year 2023 to replace the notes payable as described in Note 5.

NOTE 11 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62.* This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively be recognizing the change in the current period. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences.* This Statement requires that liability for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2023, the District implemented the following new pronouncement:

GASB Statement No. 96, *Subscription-based Information Technology Arrangements.*

Summary:

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements* was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended.

There was no material impact on the District's financial statement after the adoption of GASB Statement 96.

REQUIRED SUPPLEMENTARY INFORMATION

DANSVILLE SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	$ 984,723	$ 1,103,543	$ 1,110,377	$ 6,834
State sources	7,059,359	7,704,053	7,700,523	(3,530)
Federal sources	629,941	910,613	607,009	(303,604)
Incoming transfers and other	786,737	871,721	869,721	(2,000)
TOTAL REVENUES	9,460,760	10,589,930	10,287,630	(302,300)
EXPENDITURES				
Current				
Instruction				
Basic programs	4,676,201	5,141,102	4,726,757	414,345
Added needs	1,116,346	1,070,031	1,141,778	(71,747)
Total instruction	5,792,547	6,211,133	5,868,535	342,598
Supporting services				
Pupil	499,015	766,266	685,369	80,897
Instructional staff	128,032	177,495	170,769	6,726
General administration	476,435	521,735	468,239	53,496
School administration	712,195	782,619	744,419	38,200
Business	122,631	121,528	167,925	(46,397)
Operation and maintenance	1,143,778	1,315,061	1,089,765	225,296
Pupil transportation	429,448	433,622	466,678	(33,056)
Central and other	147,030	196,041	178,967	17,074
Athletics and other	297,725	300,838	297,157	3,681
Total supporting services	3,956,289	4,615,205	4,269,288	345,917
Community services	250	1,200	545	655
TOTAL EXPENDITURES	9,749,086	10,827,538	10,138,368	689,170
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(288,326)	(237,608)	149,262	386,870
OTHER FINANCING SOURCES (USES)				
Transfers in	26,517	23,827	22,655	(1,172)
Transfers out	(3)	-	(2)	(2)
TOTAL OTHER FINANCING SOURCES (USES)	26,514	23,827	22,653	(1,174)
NET CHANGE IN FUND BALANCE	$ (261,812)	$ (213,781)	171,915	$ 385,696
FUND BALANCE				
Beginning of year			1,622,838	
End of year			$ 1,794,753	

DANSVILLE SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR END SEPTEMBER 30)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.03638%	0.03624%	0.03649%	0.03578%	0.03786%	0.04056%	0.04236%	0.04335%	0.04219%
Reporting Unit's proportionate share of net pension liability	$ 13,681,665	$ 8,578,890	$ 12,533,413	$ 11,847,947	$ 11,380,501	$ 10,510,639	$ 10,568,346	$ 10,587,096	$ 9,293,422
Reporting Unit's covered-employee payroll	$ 3,629,858	$ 3,310,215	$ 3,302,445	$ 3,120,136	$ 3,062,977	$ 3,343,034	$ 3,538,964	$ 3,611,710	$ 3,577,201
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	376.92%	259.16%	379.52%	379.73%	371.55%	314.40%	298.63%	293.13%	259.80%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	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 ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

DANSVILLE SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 1,658,556	$ 1,223,950	$ 1,062,845	$ 983,718	$ 934,634	$ 1,000,742	$ 956,714	$ 912,610	$ 770,193
Contributions in relation to statutorily required contributions	1,658,556	1,223,950	1,062,845	983,718	934,634	1,000,742	956,714	912,610	770,193
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 3,787,058	$ 3,576,790	$ 3,299,528	$ 3,251,757	$ 3,112,130	$ 3,090,624	$ 3,405,793	$ 3,397,846	$ 3,626,081
Contributions as a percentage of covered-employee payroll	43.80%	34.22%	32.21%	30.25%	30.03%	32.38%	28.09%	26.86%	21.24%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, reporting units should present information for those years for which information is available.

DANSVILLE SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)

	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net other postemployment benefit liability (%)	0.03701%	0.03641%	0.03735%	0.03580%	0.03610%	0.04070%
Reporting Unit's proportionate share of net other postemployment benefit liability	$ 783,800	$ 555,678	$ 2,000,869	$ 2,569,686	$ 2,869,950	$ 3,603,772
Reporting Unit's covered-employee payroll	$ 3,629,858	$ 3,310,215	$ 3,302,445	$ 3,120,136	$ 3,062,977	$ 3,343,034
Reporting Unit's proportionate share of net other postemployment benefit liability as a percentage of its covered-employee payroll	21.59%	16.79%	60.59%	82.36%	93.70%	107.80%
Plan fiduciary net position as a percentage of total other postemployment benefit liability (Non-university employers)	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

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

DANSVILLE SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF YEAR ENDED JUNE 30)

	2023	2022	2021	2020	2019	2018
Statutorily required other postemployment benefit contributions	$ 288,087	$ 288,292	$ 274,978	$ 278,462	$ 255,794	$ 273,843
Other postemployment benefit contributions in relation to statutorily required contributions	288,087	288,292	274,978	278,462	255,794	273,843
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll (OPEB)	$ 3,787,058	$ 3,576,790	$ 3,299,528	$ 3,251,757	$ 3,112,130	$ 3,090,624
Other postemployment benefit contributions as a percentage of covered-employee payroll	7.61%	8.06%	8.33%	8.56%	8.22%	8.86%

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

NOTE 1 - 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 6.00% from 6.80%

NOTE 2 - 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 6.00% from 6.95%

ADDITIONAL SUPPLEMENTARY INFORMATION

DANSVILLE SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2023

	Special Revenue		Capital	
	Food Service	Student/ School Activities	Projects (Sinking Fund)	Total Nonmajor Funds
ASSETS				
Cash and cash equivalents	$ 176,651	$ 197,550	$ 459,063	$ 833,264
Investments	95,432	-	-	95,432
Receivables				
Accounts receivable	3,098	-	-	3,098
Intergovernmental	3,789	-	-	3,789
Inventories	9,186	-	-	9,186
TOTAL ASSETS	$ 288,156	$ 197,550	$ 459,063	$ 944,769
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 3,779	$ 3,847	$ 109,939	$ 117,565
Accrued salaries and related items	1,958	-	-	1,958
Unearned revenue	6,136	-	-	6,136
TOTAL LIABILITIES	11,873	3,847	109,939	125,659
FUND BALANCES				
Nonspendable - inventories	9,186	-	-	9,186
Restricted for:				
Capital projects - sinking fund	-	-	349,124	349,124
Food service	267,097	-	-	267,097
Committed for - student/school activities	-	193,703	-	193,703
TOTAL FUND BALANCES	276,283	193,703	349,124	819,110
TOTAL LIABILITIES AND FUND BALANCES	$ 288,156	$ 197,550	$ 459,063	$ 944,769

DANSVILLE SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2023

	Special Revenue		Capital Projects (Sinking Fund)	Total Nonmajor Funds
	Food Service	Student/ School Activities		
REVENUES				
Local sources				
Property taxes	$ -	$ -	$ 218,864	$ 218,864
Food sales	164,820	-	-	164,820
Student/school activities	-	267,655	-	267,655
Other	-	-	522	522
Total local sources	164,820	267,655	219,386	651,861
State sources	49,807	-	782	50,589
Federal sources	241,385	-	-	241,385
TOTAL REVENUES	456,012	267,655	220,168	943,835
EXPENDITURES				
Current				
Food service activities	462,172	-	-	462,172
Student/school activities	-	245,839	-	245,839
Capital outlay	-	-	219,912	219,912
TOTAL EXPENDITURES	462,172	245,839	219,912	927,923
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,160)	21,816	256	15,912
OTHER FINANCING SOURCES (USES)				
Transfers in	2	-	-	2
Transfers out	(22,655)	-	-	(22,655)
TOTAL OTHER FINANCING SOURCES (USES)	(22,653)	-	-	(22,653)
NET CHANGE IN FUND BALANCES	(28,813)	21,816	256	(6,741)
FUND BALANCES				
Beginning of year	305,096	171,887	348,868	825,851
End of year	$ 276,283	$ 193,703	$ 349,124	$ 819,110

DANSVILLE SCHOOLS
LONG-TERM OBLIGATIONS
BONDED OBLIGATIONS
JUNE 30, 2023

$23,695,000 Bonds issued August 9, 2016:

	Interest Due		Debt Service Requirement for Fiscal Year	
Principal Due May 1	May 1	November 1	June 30,	Amount
$ 550,000	$ 450,375	$ 450,375	2024	$ 1,450,750
575,000	436,625	436,625	2025	1,448,250
600,000	422,250	422,250	2026	1,444,500
625,000	407,250	407,250	2027	1,439,500
675,000	391,625	391,625	2028	1,458,250
700,000	374,750	374,750	2029	1,449,500
750,000	357,250	357,250	2030	1,464,500
775,000	338,500	338,500	2031	1,452,000
800,000	323,000	323,000	2032	1,446,000
825,000	307,000	307,000	2033	1,439,000
875,000	290,500	290,500	2034	1,456,000
900,000	273,000	273,000	2035	1,446,000
950,000	255,000	255,000	2036	1,460,000
975,000	236,000	236,000	2037	1,447,000
1,025,000	216,500	216,500	2038	1,458,000
1,075,000	196,000	196,000	2039	1,467,000
1,100,000	174,500	174,500	2040	1,449,000
1,150,000	152,500	152,500	2041	1,455,000
1,200,000	129,500	129,500	2042	1,459,000
1,250,000	105,500	105,500	2043	1,461,000
1,300,000	80,500	80,500	2044	1,461,000
1,350,000	54,500	54,500	2045	1,459,000
1,375,000	27,500	27,500	2046	1,430,000
$ 21,400,000	$ 6,000,125	$ 6,000,125		$ 33,400,250

The above bonds have interest rates from 4.0% to 5.0%. The bonds were issued for school building and site purposes.

DANSVILLE SCHOOLS
SCHEDULE OF BORROWINGS - STATE OF MICHIGAN
SCHOOL LOAN REVOLVING FUND PROGRAM
JUNE 30, 2023

Amounts needed for the payment of bond principal and interest in excess of receipts from property taxes are borrowed from the Michigan School Loan Revolving Fund. These loans, together with accrued interest payable thereon, are to be repaid when the debt retirement millage provides funds in excess of the amounts needed to pay current bond maturities and interest. The borrowings from and repayments to the state under this program have been summarized as follows:

Year Ending June 30,	Loan Proceeds	Interest Expense (Payments)	Loan Balance (Net Change)
2018	$ 222,317	$ 4,791	$ 227,108
2019	211,987	12,394	224,381
2020	140,152	17,464	157,616
2021	107,179	20,511	127,690
2022	-	(3,908)	(3,908)
2023	-	(34,100)	(34,100)
Total June 30, 2023	$ 681,635	$ 17,152	$ 698,787

DANSVILLE SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal ALN	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued (Unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (Unearned) Revenue 6/30/2023
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Child Nutrition Cluster								
Non-cash assistance (donated foods)								
Entitlement Donated Foods	10.555	N/A	$ 23,428	$ -	$ -	$ 23,428	$ 23,428	$ -
Entitlement Donated Foods - Bonus		N/A	683	-	-	683	683	-
Total non-cash assistance (donated foods)			24,111	-	-	24,111	24,111	-
Cash Assistance								
National School Lunch Program	10.555	220910	37,034	-	18,389	18,645	18,645	-
National School Lunch Program	10.555	221960	26,372	-	-	26,372	26,372	-
National School Lunch Program	10.555	230910	11,532	-	-	11,532	11,532	-
National School Lunch Program	10.555	231960	123,874	-	-	123,874	123,874	-
Total ALN 10.555			198,812	-	18,389	180,423	180,423	-
School Breakfast Program	10.553	221970	5,797	-	-	5,797	5,797	-
		231970	30,426	-	-	30,426	30,426	-
Total ALN 10.553			36,223	-	-	36,223	36,223	-
Total cash assistance			235,035	-	18,389	216,646	216,646	-
Total Child Nutrition Cluster			259,146	-	18,389	240,757	240,757	-
COVID-19 - Pandemic EBT Local Level Costs	10.649	220980	628	-	-	628	628	-
Total U.S. Department of Agriculture			259,774	-	18,389	241,385	241,385	-

The accompanying notes are an integral part of this schedule.

DANSVILLE SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal ALN	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued (Unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (Unearned) Revenue 6/30/2023
U.S. Department of Education								
Passed through Michigan Department of Education								
Title I Grants to Local Educational Agencies	84.010	221530-2122	$ 72,763	$ 25,351	$ 71,563	$ 5	$ 25,356	$ -
Title I Grants to Local Educational Agencies	84.010	231530-2223	66,900	-	-	66,900	54,730	12,170
Total ALN 84.010			139,663	25,351	71,563	66,905	80,086	12,170
Supporting Effective Instruction State Grants	84.367	220520-2122	24,795	15,853	15,853	-	15,853	-
Supporting Effective Instruction State Grants	84.367	230520-2223	24,058	-	-	24,058	24,058	-
Total ALN 84.367			48,853	15,853	15,853	24,058	39,911	-
Student Support and Academic Enrichment	84.424	220750-2122	10,000	-	-	5,306	5,306	-
Student Support and Academic Enrichment	84.424	230750-2223	14,694	-	-	14,694	14,694	-
Total ALN #84.424			24,694	-	-	20,000	20,000	-
Education Stabilization Fund								
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II Formula Funds)	84.425D	213712-2021	266,485	4,388	121,378	135,598	120,337	19,649
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II 98c)	84.425D	213782-2223	15,688	-	-	15,688	-	15,688
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER III Formula Funds)	84.425U	213713-2122	598,912	147,295	147,295	73,380	200,720	19,955
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER III 11t)	84.425U	213723-2122	214,444	-	-	128,389	91,141	37,248
Total ALN 84.425 and Education Stabilization Fund			1,095,529	151,683	121,378	353,055	412,198	92,540
Total U.S. Department of Education			1,308,739	192,887	208,794	464,018	552,195	104,710

The accompanying notes are an integral part of this schedule.

DANSVILLE SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal ALN	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued (Unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (Unearned) Revenue 6/30/2023
U.S. Department of Health and Human Services								
Passed through Ingham Intermediate School District								
Medicaid Cluster								
Medical Assistance Program	93.778	N/A	$ 8,356	$ -	$ -	$ 8,356	$ 8,356	$ -
COVID-19 Health Resource Advocate Fund	93.323	N/A	134,635	25,871	-	134,635	81,037	79,469
Total U.S. Department of Health and Human Services			142,991	25,871	-	142,991	89,393	79,469
TOTAL FEDERAL AWARDS			$ 1,711,504	$ 218,758	$ 227,183	$ 848,394	$ 882,973	$ 184,179

The accompanying notes are an integral part of this schedule.

DANSVILLE SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Dansville Schools under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations Dansville Schools, it is not intended to and does not present the financial position or changes in net position of Dansville Schools.

Management has utilized NexSys, Cash Management System and the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards. The District does not pass through federal awards.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. Dansville Schools has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - RECONCILING WITH AUDITED FINANCIAL STATEMENTS

Federal expenditures are reported as revenue in the following funds in the financial statements for the period June 30, 2023:

General fund	$	607,009
Other nonmajor governmental funds		241,385
Total federal revenue in the fund financial statements	$	848,394

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education of
Dansville Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dansville Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Dansville Schools' basic financial statements, and have issued our report thereon dated August 31, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Maner Costerisan PC

August 31, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE*

To the Board of Education of
Dansville Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Dansville Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Dansville Schools' major federal programs for the year ended June 30, 2023. Dansville Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Dansville Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Dansville Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Dansville Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Dansville Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Dansville Schools' compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Dansville Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Dansville Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Dansville Schools' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Maner Costerisan PC

August 31, 2023

DANSVILLE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:	Unmodified		
Internal control over financial reporting:			
➢ Material weakness(es) identified?	____ Yes	X	None
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ Yes	X	None reported
Noncompliance material to financial statements noted?	____ Yes	X	None

Federal Awards

Internal control over major programs:			
➢ Material weakness(es) identified?	____ Yes	X	None
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?	____ Yes	X	None

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000		
Auditee qualified as low-risk auditee?	X Yes	____	No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Question Costs

None

DANSVILLE SCHOOLS
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2023

There were no audit findings reported for the previous year.

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August 31, 2023

To the Board of Education of
Dansville Schools

In planning and performing our audit of the financial statements of Dansville Schools as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Dansville Schools' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted one matter involving the internal control and other operational matters that is presented for your consideration. This letter does not affect our report dated August 31, 2023 on the financial statements of Dansville Schools. We will review the status of this comment during our next audit engagement. Our comment and recommendation, which has been discussed with appropriate members of management, is intended to improve the internal control, or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, perform any additional study of this matter, or assist you in implementing the recommendation. Our comment is summarized as follows.

Food Service Fund Balance

Per Michigan Department of Education (MDE) guidelines, school food authorities (SFA) must operate food services on a nonprofit basis. We noted that the food service fund balance exceeded the three months' operating expenditures allowed. MDE requires that the SFA spend down the excess by the end of the next school year. Dansville Schools has developed a plan to spend down the excess by June 30, 2024.

This report is intended solely for the information and use of management, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation we received from your staff during our engagement and the opportunity to be of service.

Very truly yours,

Maner Costerisan PC

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August 31, 2023

To the Board of Education of
Dansville Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dansville Schools for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Dansville Schools are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the entity adopted Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-based IT Arrangements*, during the year ended June 30, 2023. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by the Dansville Schools during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

> Estimates have been used to calculate the net pension liability and the net other postemployment benefit liability. We evaluated the key factors and assumptions used to develop the balance of the net pension liability and net other postemployment benefit liability in determining that they are reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate in calculating the liability for employee compensated absences. We evaluated the key factors and assumptions used to develop the balance of employee compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's determination of the estimated life span of the capital assets. We evaluated the key factors and assumptions used by management to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole. In addition, certain amounts included in capital assets have been estimated based on an outside appraisal company.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 31, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

<u>Other Matters</u>

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Restriction on Use

This information is intended solely for the use of the management and members of the Board of Education of Dansville Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maner Costerisan PC