



## Pennfield Schools

**Monday, September 19, 2022 - 6:30 PM**

**Regular Board Meeting**

**High School Media Center**

**8299 Pennfield Road**

**Battle Creek, MI 49017**

**"This meeting is a meeting of the Board of Education in public for the purpose of conducting the School District's business and is not to be considered a public community meeting. There is a time for public participation during the meeting as indicated in the agenda."**

1. Call Meeting to Order

This meeting is a meeting of the Board of Education in public for the purpose of conducting the School District's business and is not to be considered a public community meeting. There is a time for public participation during the meeting as indicated in the agenda.

2. Pledge of Allegiance

Dana Wells-Jenny, Board President

The Board of Education will lead the Pledge of Allegiance.

3. Roll Call

Board President

The Board Secretary will administer roll call to establish that a quorum of the Board is present and to determine which Board members are present at the start of the meeting.

4. Agenda Changes

Superintendent Lemmer

5. Public Comments - Participants are asked to keep comments to three (3) minutes.

Dana Wells-Jenny, Board President

Please notify the superintendent in writing at least two business days before the scheduled meetings of the Board of Education if you wish to address the Board but do not speak English, or if you have a handicap or disability that may prevent you from speaking to the Board. At this time, the Board will listen to comments from the public and others regarding both agenda action items and items that are not on the agenda. Per Board Policy #0167.3 each statement made by a participant shall be limited to three (3) minutes. This is the only opportunity for public comment. The Board President may add a second comment if there are more than 20 community members seeking to speak.

The Board requests that, if you wish to speak, you provide us with your name, address, and affiliation with the district. Please limit your comment to three minutes. Comments should not be directed at individuals on the board, rather to the board as a whole. This is a meeting of the Board of Education being held in public. Board members will not respond to public comment but you may request a formal response for a later time.

6. Recognitions and Presentations

Superintendent Lemmer

6.1. District's 2021-2022 Audit Report

Nate Balderman

The auditing firm of Rehmann Financial Consultants will present the district's 2021-2022 financial audit.

6.2. Ms. Angela Biergeder - MSBO Business Office Specialist Certification

Superintendent Lemmer

Ms. Biergeder is commended for meeting the 90 hours of professional development required for renewing her Business Office Specialist certification under the MSBO voluntary certification program.

6.3. Mr. Brett Steele, Athletic Director - MIAAAA Participation

Superintendent Lemmer

Mr. Steele participated in the annual Michigan Interscholastic Athletic Administrators Assoc., (MIAAAA) workshop and completed a four-hour course on Coaching Coaches to be Education Leaders, along with participating in workshops exploring the theme of Equity in Educational Athletics. Mr. Steele is to be commended for engaging in this workshop and standing among the leaders in Michigan and our district to promote opportunities for all students.

7. Communications

7.1. Student Representative Report

7.2. Superintendent's Report

8. Consent Agenda **(Action)**

It is recommended the Board approve the following consent agenda with one motion.

8.1. Approval of the Agenda

8.2. Approval of Minutes

8.2.1. Minutes of the Monday, August 15, 2022, Regular Meeting

8.2.2. Approval of the Monday, August 31, 2022, Special Meeting

8.2.3. Minutes of the Monday, September 12, 2022 Special Meeting

8.3. Approve Check Registers

8.4. Approve Electronic Funds Transfer

8.5. Approve Finance Expenditure Report

8.6. Communications to the Board

9. Items Removed from Consent Agenda **(Discussion/Action)**

10. Items for Approval or Discussion

Board President

10.1. Approval of New Staff **(Action)**

Superintendent Lemmer

\* Sarah Miller, Physical Education Teacher, Purdy - North Penn replacing Corey Einhardt

\* Ayesha Williamson-Frankling, Music Teacher, Purdy - North Penn replacing Melissa Baxter

10.2. Bond Bills Approval **(Action)**

Superintendent Lemmer

\* Kingiscott Associates - Dunlap Elementary Remodeling - \$48,189.88

\* Kingiscott Associates - MS Remodeling - \$22,950.00

\* Kingiscott Associates - Stadium Remodeling - \$18,527.01

\* Triangle Associates - Construction Management Services - \$26,000.00

Total \$115,666.89

10.3. Proposal of Monthly Work Session **(Action)**

It is recommended the Board hold work sessions along with committees on the following dates:

- \* October 3, 2022, 6:30 p.m.
- \* December 5, 2022, 6:30 p.m.
- \* February 6, 2023, 6:30 p.m.
- \* April 3, 2023, 6:30 p.m.
- \* June 5, 2023, 6:30 p.m.

11. Closed Session

11.1. Closed session for the purpose of reviewing attorney-client privileged information.

The Board will move into closed session for the purpose of reviewing and discussing attorney-client privileged information.

12. Board Comments

Board President

13. Adjournment

Board President

Pennfield  
Schools



Year Ended  
June 30, 2022

Financial  
Statements

**Rehmann**

**This page intentionally left blank.**

# PENNFIELD SCHOOLS

## Table of Contents

|  | <u>Page</u> |
|--|-------------|
| <b>Independent Auditors' Report</b>  | 1           |
| <b>Management's Discussion and Analysis</b>  | 5           |
| <b>Basic Financial Statements</b>  |             |
| Government-wide Financial Statements:  |             |
| Statement of Net Position  | 14          |
| Statement of Activities  | 15          |
| Fund Financial Statements:   |             |
| Balance Sheet – Governmental Funds   | 16          |
| Reconciliation of Fund Balances of Governmental Funds<br>to Net Position of Governmental Activities                          | 17          |
| Statement of Revenues, Expenditures and Changes in Fund Balances –<br>Governmental Funds                                     | 18          |
| Reconciliation of Net Changes in Fund Balances of Governmental Funds<br>to Change in Net Position of Governmental Activities | 19          |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balance – Budget and Actual – General Fund                        | 20          |
| Notes to Financial Statements  | 23          |
| <b>Required Supplementary Information</b>  |             |
| MPSERS Cost-Sharing Multiple-Employer Plan:  |             |
| Schedule of the District's Proportionate Share of the Net Pension Liability  | 54          |
| Schedule of the District's Pension Contributions   | 56          |
| Schedule of the District's Proportionate Share of the Net Other<br>Postemployment Benefit (OPEB) Liability                   | 58          |
| Schedule of the District's Other Postemployment Benefit (OPEB) Contributions   | 59          |
| Notes to Required Supplementary Information  | 60          |
| <b>Combining Fund Financial Statements</b>   |             |
| Nonmajor Governmental Funds:   |             |
| Combining Balance Sheet  | 62          |
| Combining Statement of Revenues, Expenditures and Changes in Fund<br>Balances  | 63          |



**This page intentionally left blank.**

## INDEPENDENT AUDITORS' REPORT

September 13, 2022

Board of Education  
Pennfield Schools  
Battle Creek, Michigan

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Pennfield Schools** (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position thereof and the budgetary comparison of the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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



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

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

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

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

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

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements 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 September 13, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

**This page intentionally left blank.**

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

# PENNFIELD SCHOOLS

## Management's Discussion and Analysis

As management of Pennfield Schools (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022.

### Financial Highlights

|   |                 |
|---|-----------------|
| • Total net position (deficit)                | \$ (32,839,274) |
| • Change in total net position                | 2,707,693       |
| • Fund balances, governmental funds           | 36,906,976      |
| • Change in fund balances, governmental funds | 28,974,041      |
| • Unassigned fund balance, general fund       | 4,626,329       |
| • Change in fund balance, general fund        | (481,293)       |
| • General obligation bonds outstanding        | 53,545,000      |
| • Change in general obligation bonds          | 27,365,000      |
| • Capital assets, net                         | 26,138,484      |

### Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements display functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The activities of the District include instruction, supporting services, food services, athletics, and community services. The District has no business-type activities as of and for the year ended June 30, 2022.

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

# PENNFIELD SCHOOLS

## Management's Discussion and Analysis

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

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

The District maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the major governmental funds. The general, 2022 capital projects and debt service funds are considered major funds.

The District adopts an annual appropriated budget for its general and special revenue funds. A budgetary comparison statement has been provided herein to demonstrate compliance with the general fund budget.

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

### Government-wide Financial Analysis

The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015 and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in fiscal year 2018. In addition to expanded disclosure requirements, the District is required to report its proportionate share of the MPSERS net pension liability and net other postemployment benefit liability on the statement of net position. This change has resulted in a negative total net position of governmental activities of \$32,839,274. Of this amount, \$(41,761,920) is unrestricted net position (deficit) and \$603,721 represents resources that are subject to external restrictions on how they may be used. The operating results of the general fund will have a significant impact on the change in unrestricted net position from year to year.

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

# PENNFIELD SCHOOLS

## Management's Discussion and Analysis

An additional portion of the District's net position represents resources that are subject to other external restrictions on how they may be used. The remaining balance is an unrestricted (deficit) net position.

|                                       | Net Position           |                        |
|---------------------------------------|------------------------|------------------------|
|                                       | 2022                   | 2021                   |
| <b>Assets</b>                         |                        |                        |
| Current and other assets              | \$ 39,714,258          | \$ 10,590,694          |
| Capital assets, net                   | 26,138,484             | 26,433,074             |
| <b>Total assets</b>                   | <u>65,852,742</u>      | <u>37,023,768</u>      |
| <b>Deferred outflows of resources</b> | <u>9,836,093</u>       | <u>13,855,623</u>      |
| <b>Liabilities</b>                    |                        |                        |
| Other liabilities                     | 34,576,641             | 52,816,895             |
| Long-term debt                        | 56,426,186             | 28,086,430             |
| <b>Total liabilities</b>              | <u>91,002,827</u>      | <u>80,903,325</u>      |
| <b>Deferred inflows of resources</b>  | <u>17,525,282</u>      | <u>5,523,033</u>       |
| <b>Net position</b>                   |                        |                        |
| Net investment in capital assets      | 8,318,925              | 8,031,248              |
| Restricted                            | 603,721                | 650,199                |
| Unrestricted (deficit)                | (41,761,920)           | (44,228,414)           |
| <b>Total net position</b>             | <u>\$ (32,839,274)</u> | <u>\$ (35,546,967)</u> |

# PENNFIELD SCHOOLS

## Management's Discussion and Analysis

|                                      | Change in Net Position |                        |
|--------------------------------------|------------------------|------------------------|
|                                      | 2022                   | 2021                   |
| <b>Revenues</b>                      |                        |                        |
| Program revenues:                    |                        |                        |
| Charges for services                 | \$ 317,241             | \$ 155,502             |
| Operating grants and contributions   | 7,865,883              | 6,949,756              |
| General revenues:                    |                        |                        |
| Property taxes - operations          | 1,253,451              | 1,198,069              |
| Property taxes - debt service        | 2,768,917              | 2,704,213              |
| State of Michigan aid - unrestricted | 15,850,183             | 16,009,130             |
| Unrestricted investment earnings     | 45,333                 | 1,548                  |
| Gain on sale of capital assets       | -                      | 2,600                  |
| Other revenues                       | 77,357                 | 35,000                 |
| <b>Total revenues</b>                | <u>28,178,365</u>      | <u>27,055,818</u>      |
| <b>Expenses</b>                      |                        |                        |
| Instruction                          | 12,546,105             | 14,939,710             |
| Supporting services                  | 8,392,393              | 8,340,924              |
| Food service                         | 1,356,235              | 797,214                |
| Athletics                            | 658,039                | 690,372                |
| Community services                   | -                      | 597                    |
| Interest and fiscal charges          | 1,121,397              | 884,108                |
| Unallocated depreciation             | 1,396,503              | 1,335,155              |
| <b>Total expenses</b>                | <u>25,470,672</u>      | <u>26,988,080</u>      |
| <b>Change in net position</b>        | 2,707,693              | 67,738                 |
| Net position, beginning of year      | <u>(35,546,967)</u>    | <u>(35,614,705)</u>    |
| <b>Net position, end of year</b>     | <u>\$ (32,839,274)</u> | <u>\$ (35,546,967)</u> |

**Governmental Activities.** The District's net position increased by \$2,707,693 during the current fiscal year, as compared to a \$67,738 increase in the prior year. This was primarily the result of decreases in the pension and OPEB related expenses.

### Financial Analysis of the District's Funds

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

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

# PENNFIELD SCHOOLS

## Management's Discussion and Analysis

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,626,329, while the total fund balance was \$6,454,734. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 19% and 27%, respectively, of total general fund expenditures.

The fund balance of the District's general fund decreased by \$481,293 from the prior year. This is attributable to a decrease in student enrollment, which results in a decrease in state aid revenue. The District decided that we would maintain the same staff FTE to help with students returning to in-person learning, and to help with learning loss.

At the end of the current fiscal year, the 2022 capital projects fund had a total fund balance of \$29,475,666. The fund balance increased by \$29,475,666 during the current fiscal year. This is attributable to the issuance of the 2022 Building and Site bonds, offset by capital outlay related to the bond project.

At the end of the current fiscal year, the debt service fund had a total fund balance of \$164,362. The fund balance increased by \$2,781 during the current fiscal year. This is attributable to revenue exceeding scheduled principal and interest payments in the current year.

### General Fund Budgetary Highlights

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

- Budgeted state revenues were increased by approximately \$1.3 million from the original to the final amended budget. At the time the original budget was adopted by the Board of Education, the State's budget had not been finalized. It was estimated that the foundation allowance would increase by \$250 per pupil, but the actual increase was \$589 per pupil.
- Budgeted federal revenues were decreased by approximately \$1.1 million from the original to the final amended budget to reflect the actual use of ESSER funds. The remainder of these funds will be used in the upcoming fiscal years.
- Budgeted expenditures were decreased by approximately \$1.6 million from the original to the final amended budget to better reflect costs of operations.

In accordance with State statute, the District is prohibited from amending the budget after year-end. As the District's books are not closed for accounting purposes at that point, a certain level of estimation is required in determining actual need. Actual revenues ended the year under the final budget by \$751,984, or 3.1%. Actual expenditures ended the year under the final budget by \$1,004,519 or 4.0%. The actual revenues and expenditures were under the final budget primarily due to the District budgeting for the use of ESSER funds to be used on the HVAC project that started in June 2022 at North Pennfield and Purdy Elementary Schools. The project was supposed to be completed during the summer of 2022, but the District received notice after the final budget had been drafted that the equipment would not be received until September 2022, thus resulting in the majority of the work not being completed prior to year-end.

# PENNFIELD SCHOOLS

## Management's Discussion and Analysis

### Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2022 amounted to \$26,138,484 (net of accumulated depreciation). Capital assets at year-end included the following:

|                                  | Capital Assets<br>(Net of Depreciation) |                      |
|----------------------------------|---|----------------------|
|                                  | 2022                                    | 2021                 |
| Land                             | \$ 748,531                              | \$ 748,531           |
| Construction in progress         | 355,787                                 | -                    |
| Buildings and improvements       | 23,794,235                              | 24,869,189           |
| Furniture and equipment          | 811,067                                 | 322,715              |
| Vehicles                         | 411,759                                 | 458,429              |
| Leased equipment                 | 17,105                                  | 34,210               |
| <b>Total capital assets, net</b> | <b>\$ 26,138,484</b>                    | <b>\$ 26,433,074</b> |

The most significant capital asset additions during the current year were: the purchase of a new bus in the amount of approximately \$91,000, building and remodel projects of approximately \$280,000, and HVAC additions of approximately \$365,000.

Additional information on the District's capital assets can be found in the footnotes to the financial statements.

**Long-term Debt.** At the end of the current fiscal year, the District had total long-term debt outstanding of \$56,426,186. The District's total debt increased by \$28,339,756 during the current fiscal year, primarily due to the issuance of the 2022 Building and Site bonds.

Additional information on the District's long-term debt can be found in the footnotes to the financial statements.

### Factors Bearing on the District's Future

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

- The student count is still a major concern for the district. Student count numbers were decreased initially in 20-21 with the COVID-19 pandemic still impacting student counts during the 21 - 22 school year as numbers did not return to pre-pandemic levels. We believe that there is a fair share of students who have sought out other forms of education, such as virtual programs. We also believe that we have lost some students to other districts due to COVID-19 restrictions in the school setting. There is still a concern that the count numbers will continue to be low.
- Upgrades needed to the District's buildings and grounds are a concern for the District.

# PENNFIELD SCHOOLS

## Management's Discussion and Analysis

### Requests for Information

This financial report is designed to provide a 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 financial information, please contact Angena Schwartz, Finance Director, Pennfield Schools.

## **BASIC FINANCIAL STATEMENTS**

# PENNFIELD SCHOOLS

## Statement of Net Position

June 30, 2022

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| <b>Assets</b>  |                                    |
| Cash and cash equivalents  | \$ 35,488,286                      |
| Receivables  | 4,128,382                          |
| Inventories  | 63,238                             |
| Prepays  | 34,352                             |
| Capital assets not being depreciated                                   | 1,104,318                          |
| Capital assets being depreciated, net                                  | <u>25,034,166</u>                  |
| <b>Total assets</b>  | <u>65,852,742</u>                  |
| <b>Deferred outflows of resources</b>                                  |                                    |
| Deferred charge on advance bond refundings                             | 537,512                            |
| Deferred pension amounts   | 6,595,621                          |
| Deferred other postemployment benefit amounts                          | <u>2,702,960</u>                   |
| <b>Total deferred outflows of resources</b>                            | <u>9,836,093</u>                   |
| <b>Liabilities</b>   |                                    |
| Accounts payable and accrued liabilities                               | 2,980,419                          |
| Unearned revenue   | 253,975                            |
| Leases payable -   |                                    |
| Due within one year  | 4,887                              |
| Long-term debt:  |                                    |
| Due within one year  | 2,436,420                          |
| Due in more than one year  | 53,989,766                         |
| Net pension liability (due in more than one year)                      | 29,436,486                         |
| Net other postemployment benefit liability (due in more than one year) | <u>1,900,874</u>                   |
| <b>Total liabilities</b>   | <u>91,002,827</u>                  |
| <b>Deferred inflows of resources</b>                                   |                                    |
| Deferred pension amounts   | 10,167,609                         |
| Deferred other postemployment benefit amounts                          | <u>7,357,673</u>                   |
| <b>Total deferred inflows of resources</b>                             | <u>17,525,282</u>                  |
| <b>Net position</b>  |                                    |
| Net investment in capital assets                                       | 8,318,925                          |
| Restricted for:  |                                    |
| Food service   | 561,925                            |
| Student scholarships   | 41,796                             |
| Unrestricted (deficit)   | <u>(41,761,920)</u>                |
| <b>Total net position</b>  | <u>\$ (32,839,274)</u>             |

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

# PENNFIELD SCHOOLS

## Statement of Activities

For the Year Ended June 30, 2022

| Functions / Programs                 | Expenses             | Program Revenues        |  | Net<br>(Expense)<br>Revenue   |
|--------------------------------------|----------------------|-------------------------|--|-------------------------------|
|                                      |                      | Charges<br>for Services | Operating<br>Grants and<br>Contributions |                               |
| <b>Primary government</b>            |                      |                         |  |                               |
| Governmental activities:             |                      |                         |  |                               |
| Instruction                          | \$ 12,546,105        | \$ 18,445               | \$ 5,339,725                             | \$ (7,187,935)                |
| Supporting services                  | 8,392,393            | 233,984                 | 1,160,247                                | (6,998,162)                   |
| Food service                         | 1,356,235            | 64,812                  | 1,365,911                                | 74,488                        |
| Athletics                            | 658,039              | -                       | -  | (658,039)                     |
| Interest and fiscal charges          | 1,121,397            | -                       | -  | (1,121,397)                   |
| Unallocated depreciation             | 1,396,503            | -                       | -  | (1,396,503)                   |
| Total governmental activities        | <u>\$ 25,470,672</u> | <u>\$ 317,241</u>       | <u>\$ 7,865,883</u>                      | <u>(17,287,548)</u>           |
| General revenues:                    |                      |                         |  |                               |
| Property taxes - operations          |                      |                         |  | 1,253,451                     |
| Property taxes - debt service        |                      |                         |  | 2,768,917                     |
| State of Michigan aid - unrestricted |                      |                         |  | 15,850,183                    |
| Unrestricted investment earnings     |                      |                         |  | 45,333                        |
| Other revenues                       |                      |                         |  | 77,357                        |
| Total general revenues               |                      |                         |  | <u>19,995,241</u>             |
| <b>Change in net position</b>        |                      |                         |  | <b>2,707,693</b>              |
| Net position, beginning of year      |                      |                         |  | <u>(35,546,967)</u>           |
| <b>Net position, end of year</b>     |                      |                         |  | <b><u>\$ (32,839,274)</u></b> |

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

# PENNFIELD SCHOOLS

## Balance Sheet

Governmental Funds

June 30, 2022

|  | General Fund        | 2022 Capital Projects Fund | Debt Service Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|----------------------------|-------------------|-----------------------------|--------------------------|
| <b>Assets</b>                              |                     |                            |                   |                             |                          |
| Cash and cash equivalents                  | \$ 4,967,586        | \$ 29,641,184              | \$ 165,290        | \$ 714,226                  | \$ 35,488,286            |
| Receivables:                               |                     |                            |                   |                             |                          |
| Accounts                                   | 6,255               | -                          | 2                 | 434                         | 6,691                    |
| Due from other governments                 | 4,121,691           | -                          | -                 | -                           | 4,121,691                |
| Due from other funds                       | 57,266              | -                          | -                 | 189,860                     | 247,126                  |
| Inventories                                | 46,172              | -                          | -                 | 17,066                      | 63,238                   |
| Prepays                                    | 34,352              | -                          | -                 | -                           | 34,352                   |
| <b>Total assets</b>                        | <b>\$ 9,233,322</b> | <b>\$ 29,641,184</b>       | <b>\$ 165,292</b> | <b>\$ 921,586</b>           | <b>\$ 39,961,384</b>     |
| <b>Liabilities</b>                         |                     |                            |                   |                             |                          |
| Accounts payable                           | \$ 227,573          | \$ 165,518                 | \$ -              | \$ 13,873                   | \$ 406,964               |
| Due to other governments                   | -                   | -                          | -                 | 29,188                      | 29,188                   |
| Accrued salaries                           | 989,783             | -                          | -                 | -                           | 989,783                  |
| Accrued benefits                           | 1,127,372           | -                          | -                 | -                           | 1,127,372                |
| Due to other funds                         | 189,860             | -                          | 930               | 56,336                      | 247,126                  |
| Unearned revenue                           | 244,000             | -                          | -                 | 9,975                       | 253,975                  |
| <b>Total liabilities</b>                   | <b>2,778,588</b>    | <b>165,518</b>             | <b>930</b>        | <b>109,372</b>              | <b>3,054,408</b>         |
| <b>Fund balances</b>                       |                     |                            |                   |                             |                          |
| Nonspendable                               | 80,524              | -                          | -                 | 17,066                      | 97,590                   |
| Restricted                                 | -                   | 29,475,666                 | 164,362           | 586,655                     | 30,226,683               |
| Committed                                  | -                   | -                          | -                 | 208,493                     | 208,493                  |
| Assigned                                   | 1,747,881           | -                          | -                 | -                           | 1,747,881                |
| Unassigned                                 | 4,626,329           | -                          | -                 | -                           | 4,626,329                |
| <b>Total fund balances</b>                 | <b>6,454,734</b>    | <b>29,475,666</b>          | <b>164,362</b>    | <b>812,214</b>              | <b>36,906,976</b>        |
| <b>Total liabilities and fund balances</b> | <b>\$ 9,233,322</b> | <b>\$ 29,641,184</b>       | <b>\$ 165,292</b> | <b>\$ 921,586</b>           | <b>\$ 39,961,384</b>     |

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

# PENNFIELD SCHOOLS

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
June 30, 2022

**Fund balances - total governmental funds** \$ 36,906,976

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

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.

|                                       |            |
|---------------------------------------|------------|
| Capital assets not being depreciated  | 1,104,318  |
| Capital assets being depreciated, net | 25,034,166 |

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

|   |              |
|---|--------------|
| General obligation bonds payable              | (53,545,000) |
| School bond loan fund payable                 | (297,089)    |
| Unamortized bond premiums                     | (2,127,850)  |
| Unamortized deferred charge on bond refunding | 537,512      |
| Leases payable                                | (4,887)      |
| Accrued interest on long-term debt            | (427,112)    |
| Compensated absences                          | (456,247)    |

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

|   |              |
|---|--------------|
| Net pension liability   | (29,436,486) |
| Deferred outflows related to the net pension liability                      | 6,595,621    |
| Deferred inflows related to the net pension liability                       | (10,167,609) |
| Net other postemployment benefit liability                                  | (1,900,874)  |
| Deferred outflows related to the net other postemployment benefit liability | 2,702,960    |
| Deferred inflows related to the net other postemployment benefit liability  | (7,357,673)  |

**Net position of governmental activities** \$ (32,839,274)

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

## PENNFIELD SCHOOLS

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

Governmental Funds

For the Year Ended June 30, 2022

|   | General Fund        | 2022 Capital Projects Fund | Debt Service Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|----------------------------|-------------------|-----------------------------|--------------------------|
| <b>Revenues</b>                             |                     |                            |                   |                             |                          |
| Local sources                               | \$ 1,467,720        | \$ 44,796                  | \$ 2,769,008      | \$ 218,114                  | \$ 4,499,638             |
| State sources                               | 20,086,444          | -                          | -                 | 6,414                       | 20,092,858               |
| Federal sources                             | 1,103,464           | -                          | -                 | 1,359,497                   | 2,462,961                |
| Interdistrict sources                       | 1,063,466           | -                          | -                 | -                           | 1,063,466                |
| Other sources                               | 59,442              | -                          | -                 | -                           | 59,442                   |
| <b>Total revenues</b>                       | <b>23,780,536</b>   | <b>44,796</b>              | <b>2,769,008</b>  | <b>1,584,025</b>            | <b>28,178,365</b>        |
| <b>Expenditures</b>                         |                     |                            |                   |                             |                          |
| Current:                                    |                     |                            |                   |                             |                          |
| Instruction                                 | 14,823,838          | -                          | -                 | -                           | 14,823,838               |
| Supporting services                         | 8,830,270           | -                          | -                 | 145,148                     | 8,975,418                |
| Food service                                | -                   | -                          | -                 | 1,169,281                   | 1,169,281                |
| Debt service:                               |                     |                            |                   |                             |                          |
| Principal                                   | -                   | -                          | 2,020,000         | -                           | 2,020,000                |
| Lease principal                             | 29,323              | -                          | -                 | -                           | 29,323                   |
| Interest and fiscal charges                 | -                   | -                          | 878,756           | -                           | 878,756                  |
| Bond issuance costs                         | -                   | 691,030                    | -                 | -                           | 691,030                  |
| Capital outlay                              | 628,511             | 364,988                    | -                 | 245,011                     | 1,238,510                |
| <b>Total expenditures</b>                   | <b>24,311,942</b>   | <b>1,056,018</b>           | <b>2,898,756</b>  | <b>1,559,440</b>            | <b>29,826,156</b>        |
| Revenues over (under) expenditures          | (531,406)           | (1,011,222)                | (129,748)         | 24,585                      | (1,647,791)              |
| <b>Other financing sources (uses)</b>       |                     |                            |                   |                             |                          |
| Proceeds from sale of capital assets        | 2,415               | -                          | -                 | -                           | 2,415                    |
| Issuance of long-term debt                  | -                   | 29,385,000                 | 132,529           | -                           | 29,517,529               |
| Premium on issuance of long-term debt       | -                   | 1,101,888                  | -                 | -                           | 1,101,888                |
| Transfers in                                | 47,709              | -                          | -                 | 11                          | 47,720                   |
| Transfers out                               | (11)                | -                          | -                 | (47,709)                    | (47,720)                 |
| <b>Total other financing sources (uses)</b> | <b>50,113</b>       | <b>30,486,888</b>          | <b>132,529</b>    | <b>(47,698)</b>             | <b>30,621,832</b>        |
| <b>Net change in fund balances</b>          | <b>(481,293)</b>    | <b>29,475,666</b>          | <b>2,781</b>      | <b>(23,113)</b>             | <b>28,974,041</b>        |
| Fund balances, beginning of year            | 6,936,027           | -                          | 161,581           | 835,327                     | 7,932,935                |
| <b>Fund balances, end of year</b>           | <b>\$ 6,454,734</b> | <b>\$ 29,475,666</b>       | <b>\$ 164,362</b> | <b>\$ 812,214</b>           | <b>\$ 36,906,976</b>     |

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

# PENNFIELD SCHOOLS

## Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended June 30, 2022

**Net change in fund balances - total governmental funds** \$ 28,974,041

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

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

|                                      |             |
|--------------------------------------|-------------|
| Capital assets purchased/constructed | 1,111,312   |
| Depreciation/amortization expense    | (1,396,503) |
| Proceeds from sale of capital assets | (2,415)     |
| Loss on disposal of capital assets   | (6,984)     |

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

|   |              |
|---|--------------|
| Principal payments on long-term debt                              | 2,020,000    |
| Issuance of long-term debt  | (29,517,529) |
| Premium on issuance of long-term debt                             | (1,101,888)  |
| Change in accrued interest payable on School Loan Revolving Funds | (4,401)      |
| Amortization of bond premiums                                     | 122,999      |
| Amortization of deferred charge on refunding                      | (78,833)     |
| Principal payments on leases payable                              | 29,323       |

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 governmental funds.

|   |           |
|---|-----------|
| Change in accrued interest payable on long-term debt                                  | (282,406) |
| Change in the accrual for compensated absences  | 141,063   |
| Change in the net pension liability and related deferred amounts                      | 742,286   |
| Change in the net other postemployment benefit liability and related deferred amounts | 1,957,628 |

**Change in net position of governmental activities** \$ 2,707,693

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

# PENNFIELD SCHOOLS

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

Budget and Actual - General Fund

For the Year Ended June 30, 2022

|                                    | Original<br>Budget | Final<br>Budget   | Actual            | Actual Over<br>(Under) Final<br>Budget |
|------------------------------------|--------------------|-------------------|-------------------|--|
| <b>Revenues</b>                    |                    |                   |                   |  |
| Local sources                      | \$ 1,302,034       | \$ 1,407,141      | \$ 1,467,720      | \$ 60,579                              |
| State sources                      | 18,805,471         | 20,081,132        | 20,086,444        | 5,312                                  |
| Federal sources                    | 2,999,015          | 1,876,425         | 1,103,464         | (772,961)                              |
| Interdistrict sources              | 1,105,627          | 1,108,380         | 1,063,466         | (44,914)                               |
| Other sources                      | -                  | 59,442            | 59,442            | -                                      |
| <b>Total revenues</b>              | <b>24,212,147</b>  | <b>24,532,520</b> | <b>23,780,536</b> | <b>(751,984)</b>                       |
| <b>Expenditures</b>                |                    |                   |                   |  |
| Current:                           |                    |                   |                   |  |
| Instruction:                       |                    |                   |                   |  |
| Basic programs                     | 12,538,613         | 12,192,345        | 12,145,002        | (47,343)                               |
| Added needs                        | 2,877,525          | 2,738,170         | 2,678,836         | (59,334)                               |
| Total instruction                  | 15,416,138         | 14,930,515        | 14,823,838        | (106,677)                              |
| Supporting services:               |                    |                   |                   |  |
| Pupil services                     | 1,322,729          | 1,344,229         | 1,368,526         | 24,297                                 |
| Instructional support              | 946,851            | 946,497           | 975,991           | 29,494                                 |
| General administration             | 454,264            | 518,011           | 495,083           | (22,928)                               |
| School administration              | 1,626,769          | 1,595,194         | 1,580,240         | (14,954)                               |
| Business services                  | 435,310            | 481,149           | 480,001           | (1,148)                                |
| Operation and maintenance          | 1,972,387          | 1,924,011         | 1,911,790         | (12,221)                               |
| Pupil transportation               | 908,868            | 879,606           | 878,648           | (958)                                  |
| Central services                   | 397,680            | 404,722           | 403,612           | (1,110)                                |
| Community services                 | 600                | 200               | -                 | (200)                                  |
| Other                              | 702,118            | 743,222           | 736,379           | (6,843)                                |
| Total supporting services          | 8,767,576          | 8,836,841         | 8,830,270         | (6,571)                                |
| Debt service -                     |                    |                   |                   |  |
| Lease principal                    | -                  | -                 | 29,323            | 29,323                                 |
| Capital outlay                     | 2,709,060          | 1,549,105         | 628,511           | (920,594)                              |
| <b>Total expenditures</b>          | <b>26,892,774</b>  | <b>25,316,461</b> | <b>24,311,942</b> | <b>(1,004,519)</b>                     |
| Revenues over (under) expenditures | (2,680,627)        | (783,941)         | (531,406)         | 252,535                                |

continued...

## PENNFIELD SCHOOLS

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

Budget and Actual - General Fund

For the Year Ended June 30, 2022

|   | Original<br>Budget  | Final<br>Budget     | Actual              | Actual Over<br>(Under) Final<br>Budget |
|---|---------------------|---------------------|---------------------|--|
| <b>Other financing sources (uses)</b>       |                     |                     |                     |  |
| Proceeds from sale of capital assets        | \$ -                | \$ 2,415            | \$ 2,415            | \$ -                                   |
| Transfers in                                | 37,648              | 46,000              | 47,709              | 1,709                                  |
| Transfers out                               | (15)                | (15)                | (11)                | 4                                      |
| <b>Total other financing sources (uses)</b> | <u>37,633</u>       | <u>48,400</u>       | <u>50,113</u>       | <u>1,713</u>                           |
| <b>Net change in fund balance</b>           | (2,642,994)         | (735,541)           | (481,293)           | 254,248                                |
| Fund balance, beginning of year             | <u>6,936,027</u>    | <u>6,936,027</u>    | <u>6,936,027</u>    | <u>-</u>                               |
| <b>Fund balance, end of year</b>            | <u>\$ 4,293,033</u> | <u>\$ 6,200,486</u> | <u>\$ 6,454,734</u> | <u>\$ 254,248</u>                      |

concluded.

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

**This page intentionally left blank.**

## **NOTES TO FINANCIAL STATEMENTS**

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### ***Reporting Entity***

The District is governed by an elected seven-member Board of Education. The District has followed the guidelines of the GASB and has determined that no entities should be consolidated into its basic financial statements as component units. Therefore, the reporting entity consists of the primary government financial statements only. The criteria for including a component unit include significant operational or financial relationships with the District.

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

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

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

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

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

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

# PENNFIELD SCHOOLS

## Notes to Financial Statements

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

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

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for and reported in another fund.

The *2022 capital projects fund* is used to account for all financial resources restricted, committed or assigned to expenditure for the acquisition or construction of certain capital assets.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Additionally, the District reports the following fund type -

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Restricted net position includes assets that are subject to restrictions beyond the District's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity**

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

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

# PENNFIELD SCHOOLS

## Notes to Financial Statements

Michigan law authorizes the District to invest in:

- a. Bonds, bills or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State. In a primary or fourth class school district, the bonds, bills or notes shall be payable at the option of the holder upon no more than 90 days notice or, if not so payable, shall have maturity dates not more than 5 years after the purchase date.
- b. Certificates of deposit issued by a State or national bank, savings accounts of a state or federal savings and loan association, or certificates of deposit or share certificates of a state or federal credit union organized and authorized to operate in this State.
- c. Commercial paper rated at the time of purchase and maturing not more than 270 days after the date of purchase.
- d. Securities issued or guaranteed by agencies or instrumentalities of the United States, United States government or federal agency obligation repurchase agreements, and bankers' acceptance issued by a bank that is a member of the federal deposit insurance corporation.
- e. Mutual funds composed entirely of investment vehicles that are legal for direct investment by a school district.
- f. Investment pools, as authorized by the surplus funds investment pool act, composed entirely of instruments that are legal for direct investment by a school district.

### ***Receivables***

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds".

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

### ***Inventory***

Inventories are stated at cost using the first-in, first-out method, and consist primarily of food, cafeteria supplies and teaching supplies. USDA donated commodities in the food service fund are recorded at fair value. Inventory reported in the general fund consists of amounts incurred on various building trade projects. Inventories are recorded as assets until consumed, at which time an expenditure is recorded.

### ***Prepays***

Payments to vendors for services that will benefit periods beyond the District's fiscal year-end are recorded as prepaids in both government-wide and fund financial statements.

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### *Capital Assets*

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles, are reported in the governmental activities column 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 one year. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at their estimated acquisition cost as of the donation date.

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

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

|                            | Years |
|----------------------------|-------|
| Buildings and improvements | 20-50 |
| Furniture and equipment    | 5-10  |
| Vehicles                   | 5-10  |

### *Deferred Outflows of Resources*

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

### *Accrued Liabilities*

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

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

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### *Unearned Revenues*

Unearned revenue is comprised of amounts received prior to the delivery of goods/service or expenditure on allowable costs.

### *Deferred Inflows of Resources*

In addition to liabilities, the statement of financial 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 one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources are related to pension and other postemployment benefit liabilities.

### *Compensated Absences*

Most employees of the District are compensated for leaves of absences chargeable to sick days. Each school year, the covered employees are credited with a number of sick days and any unused portion of such allowances can accumulate. Upon retirement, those employees who meet certain age and years of service requirements will be paid for a portion of sick days accumulated to a maximum number of days and at a rate determined by their job category.

The liability for the sick leave has been computed using the vesting method. This liability is shown on the statement of net position.

### *Long-term Obligations*

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received in 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 proceeds received, are reported as debt service expenditures.

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### *Fund Equity*

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

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

### *Property Taxes*

Property taxes are recognized as revenue in the general and debt service funds on a levy year basis. The 2021 levy amounts are recognized as current property tax revenue to the extent they are collected during the year or within sixty days after year end. Collections of delinquent taxes in subsequent years are recognized as property tax revenues in the year collected. Property taxes are levied on July 1 and December 1 on the assessed valuation of property located in the District as of the preceding December 31, the lien date. Assessed values are established annually by the various governmental units within the District and are equalized by the State of Michigan.

### *Interfund Transactions*

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

### *Pensions and Other Postemployment Benefits*

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

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### *Use of Estimates*

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

## 2. STATE OF MICHIGAN SCHOOL AID

The District reports State of Michigan school aid in the fiscal year in which the District is entitled to the revenue as provided by State of Michigan school aid appropriation acts. State funding represented 84% of the District's general fund revenue during the 2022 fiscal year.

## 3. BUDGETARY COMPLIANCE

### *Budgets and Budgetary Accounting*

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

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

1. The Superintendent submits to the Board a proposed operating budget for the fiscal year commencing the following July 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all governmental funds requiring budgets.
5. Adoption and amendments of all budgets used by the District are governed by Public Act 621, which was followed for the year ended June 30, 2022. Expenditures may not exceed appropriations at the function level. The appropriations resolutions are based on the projected expenditures budget of the department heads of the District. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

# PENNFIELD SCHOOLS

## Notes to Financial Statements

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

During the year ended June 30, 2022, the District incurred expenditures which were in excess of the amounts appropriated, as follows:

|                       | Final<br>Budget | Actual       | Over<br>Budget |
|-----------------------|-----------------|--------------|----------------|
| <b>General fund</b>   |                 |              |                |
| Supporting services:  |                 |              |                |
| Pupil services        | \$ 1,344,229    | \$ 1,368,526 | \$ 24,297      |
| Instructional support | 946,497         | 975,991      | 29,494         |
| Debt service -        |                 |              |                |
| Lease principal       | -               | 29,323       | 29,323         |

## 4. ACCOUNTABILITY AND COMPLIANCE

### *2022 Capital Projects Fund*

The 2022 capital project fund includes capital project activities funded with bonds issued after May 1, 1994. For this fund, the District has complied with the applicable provisions of §1351(a) of the Michigan Revised School Code.

## 5. DEPOSIT AND INVESTMENTS

A reconciliation of cash and cash equivalents shown on the Statement of Net Position follows:

### **Statement of Net Position**

|                           |                      |
|---------------------------|----------------------|
| Cash and cash equivalents | <u>\$ 35,488,286</u> |
|---------------------------|----------------------|

### **Deposits**

|                               |                      |
|-------------------------------|----------------------|
| Checking and savings accounts | <u>\$ 35,488,286</u> |
|-------------------------------|----------------------|

The District's deposits are in one financial institution located in Michigan. State policy limits the District's investing options to financial institutions located in Michigan. All accounts are in the name of the District and a specific fund or common account.

### *Deposit Risk*

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in the list of authorized investments in Note 1. The District's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District had no investments at year end.

# PENNFIELD SCHOOLS

## Notes to Financial Statements

*Credit Risk.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of the District's specific financial institutions, qualified mutual funds, and qualified external investment pools as identified in Note 1. The District's investment policy does not have specific limits in excess of state law on investment credit risk. The District had no investments at year end.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District minimizes this risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors to be in compliance with the requirements set forth in the District's investment policy. As of year end, \$35,154,256 of the District's bank balance of \$35,654,256 was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in Note 1. The District's investment policy does not have specific limits in excess of state law on concentration of credit risk. The District had no investments at year end.

## 6. RECEIVABLES

Receivables are comprised of the following at year-end:

|                            | General<br>Fund     | Debt<br>Service<br>Fund | Nonmajor<br>Governmental<br>Funds | Total               |
|----------------------------|---------------------|-------------------------|-----------------------------------|---------------------|
| Accounts                   | \$ 6,255            | \$ 2                    | \$ 434                            | \$ 6,691            |
| Due from other governments | 4,121,691           | -                       | -                                 | 4,121,691           |
| <b>Total receivables</b>   | <b>\$ 4,127,946</b> | <b>\$ 2</b>             | <b>\$ 434</b>                     | <b>\$ 4,128,382</b> |

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following at year-end:

|   | General<br>Fund     | 2022 Capital<br>Projects<br>Fund | Nonmajor<br>Governmental<br>Funds | Total               |
|---|---------------------|----------------------------------|-----------------------------------|---------------------|
| <b>Fund financial statements</b>            |                     |                                  |                                   |                     |
| Accounts payable                            | \$ 227,573          | \$ 165,518                       | \$ 13,873                         | \$ 406,964          |
| Due to other governments                    | -                   | -                                | 29,188                            | 29,188              |
| Accrued salaries                            | 989,783             | -                                | -                                 | 989,783             |
| Accrued benefits                            | 1,127,372           | -                                | -                                 | 1,127,372           |
|   | <u>\$ 2,344,728</u> | <u>\$ 165,518</u>                | <u>\$ 43,061</u>                  | 2,553,307           |
| <b>Government-wide financial statements</b> |                     |                                  |                                   |                     |
| Accrued interest payable                    |                     |                                  |                                   | <u>427,112</u>      |
| <b>Total</b>                                |                     |                                  |                                   | <u>\$ 2,980,419</u> |

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### 8. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

|  | Beginning<br>Balance* | Additions           | Disposals         | Ending<br>Balance    |
|--|-----------------------|---------------------|-------------------|----------------------|
| <b>Governmental activities</b>                     |                       |                     |                   |                      |
| Capital assets, not being depreciated:             |                       |                     |                   |                      |
| Land   | \$ 748,531            | \$ -                | \$ -              | \$ 748,531           |
| Construction in progress                           | -                     | 355,787             | -                 | 355,787              |
|  | <u>748,531</u>        | <u>355,787</u>      | <u>-</u>          | <u>1,104,318</u>     |
| Capital assets, being depreciated:                 |                       |                     |                   |                      |
| Buildings and improvements                         | 43,469,484            | -                   | -                 | 43,469,484           |
| Furniture and equipment                            | 5,472,728             | 663,588             | (614,701)         | 5,521,615            |
| Vehicles   | 1,498,497             | 91,937              | (89,131)          | 1,501,303            |
| Leased equipment                                   | 34,210                | -                   | -                 | 34,210               |
|  | <u>50,474,919</u>     | <u>755,525</u>      | <u>(703,832)</u>  | <u>50,526,612</u>    |
| Less accumulated depreciation for:                 |                       |                     |                   |                      |
| Buildings and improvements                         | (18,600,295)          | (1,074,954)         | -                 | (19,675,249)         |
| Furniture and equipment                            | (5,150,013)           | (165,837)           | 605,302           | (4,710,548)          |
| Vehicles   | (1,040,068)           | (138,607)           | 89,131            | (1,089,544)          |
| Leased equipment                                   | -                     | (17,105)            | -                 | (17,105)             |
|  | <u>(24,790,376)</u>   | <u>(1,396,503)</u>  | <u>694,433</u>    | <u>(25,492,446)</u>  |
| Total capital assets being depreciated, net        | <u>25,684,543</u>     | <u>(640,978)</u>    | <u>(9,399)</u>    | <u>25,034,166</u>    |
| <b>Governmental activities capital assets, net</b> | <u>\$ 26,433,074</u>  | <u>\$ (285,191)</u> | <u>\$ (9,399)</u> | <u>\$ 26,138,484</u> |

\* The District implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leased assets have been added to the beginning balances shown above and a corresponding lease payable has been recorded for the same amount.

Depreciation/amortization expense of \$1,396,503 was reported as "unallocated depreciation" as it was determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

At June 30, 2022, the District had outstanding commitments under construction contracts of approximately \$2.4 million.

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### 9. INTERFUND BALANCES AND TRANSFERS

At June 30, 2022, interfund receivables and payables consisted of the following:

|                             | Interfund<br>Receivable | Interfund<br>Payable |
|-----------------------------|-------------------------|----------------------|
| General fund                | \$ 57,266               | \$ 189,860           |
| Debt service fund           | -                       | 930                  |
| Nonmajor governmental funds | 189,860                 | 56,336               |
|                             | <u>\$ 247,126</u>       | <u>\$ 247,126</u>    |

Interfund balances result from timing variances between the payment for goods and services by one fund and cash reimbursement from the fund incurring the cost.

Transfers relate to indirect charges from the food service special revenue fund paid to the general fund, food service reimbursements from the State of Michigan being deposited into the general fund, and local property tax revenues for the debt service and general funds being received in the general fund.

|                             | Transfers out    | Transfers in     |
|-----------------------------|------------------|------------------|
| General fund                | \$ 11            | \$ 47,709        |
| Nonmajor governmental funds | 47,709           | 11               |
|                             | <u>\$ 47,720</u> | <u>\$ 47,720</u> |

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### 10. LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2022, was as follows:

|                                | Beginning Balance    | Additions            | Deductions            | Ending Balance       | Due Within One Year |
|--------------------------------|----------------------|----------------------|-----------------------|----------------------|---------------------|
| <b>Governmental activities</b> |                      |                      |                       |                      |                     |
| General obligation bonds       | \$ 26,180,000        | \$ 29,385,000        | \$ (2,020,000)        | \$ 53,545,000        | \$ 2,145,000        |
| Deferred issuance premiums     | 1,148,961            | 1,101,888            | (122,999)             | 2,127,850            | 122,999             |
| School bond loan fund          | 160,159              | 136,930              | -                     | 297,089              | -                   |
| Compensated absences           | 597,310              | 27,358               | (168,421)             | 456,247              | 168,421             |
| <b>Total long-term debt</b>    | <u>\$ 28,086,430</u> | <u>\$ 30,651,176</u> | <u>\$ (2,311,420)</u> | <u>\$ 56,426,186</u> | <u>\$ 2,436,420</u> |

Compensated absences are generally liquidated by the general fund.

#### General Obligation Bonds

\$4,240,000 2015 Refunding Bonds, due in annual installments of \$395,000 to \$455,000 plus interest ranging from 0.6% to 2.5%, payable semi-annually, through May 1, 2025. \$ 1,225,000

\$9,040,000 2016 Refunding Bonds, due in annual installments of \$100,000 to \$1,385,000 plus interest at 4.0%, payable semi-annually through May 1, 2034. 8,940,000

\$8,885,000 2017 Refunding Bonds, due in annual installments of \$250,000 to \$1,250,000 plus interest at 4.00% - 4.50%, payable semi-annually through May 1, 2028. 6,150,000

\$8,845,000 2019 Refunding Bonds (SBLF), due in annual installments of \$500,000 to \$1,500,000 plus interest at 1.71% - 2.29%, payable semi-annually through May 1, 2029. 7,845,000

\$29,385,000 2022 Building and Site Bonds, due in annual installments of \$500,000 to \$1,690,000 plus interest at 3.0%, payable semi-annually through May 1, 2051. 29,385,000

**Total general obligation bonds** \$ 53,545,000

# PENNFIELD SCHOOLS

## Notes to Financial Statements

Annual debt service requirements to maturity for general obligation bonds is as follows:

| Year Ended<br>June 30, | Principal            | Interest             | Total                |
|------------------------|----------------------|----------------------|----------------------|
| 2023                   | \$ 2,145,000         | \$ 1,832,946         | \$ 3,977,946         |
| 2024                   | 2,765,000            | 1,623,112            | 4,388,112            |
| 2025                   | 2,915,000            | 1,537,945            | 4,452,945            |
| 2026                   | 3,025,000            | 1,447,480            | 4,472,480            |
| 2027                   | 3,125,000            | 1,357,912            | 4,482,912            |
| 2028-2032              | 12,380,000           | 5,377,133            | 17,757,133           |
| 2033-2037              | 7,495,000            | 3,578,000            | 11,073,000           |
| 2038-2042              | 6,120,000            | 2,597,700            | 8,717,700            |
| 2043-2047              | 7,095,000            | 1,623,300            | 8,718,300            |
| 2048-2051              | 6,480,000            | 493,050              | 6,973,050            |
|                        | <u>\$ 53,545,000</u> | <u>\$ 21,468,578</u> | <u>\$ 75,013,578</u> |

### School Bond Loan Funds

The School Bond Loan Funds balance represents amounts borrowed from the State of Michigan School Bond loan program to supplement property tax revenue for making payments on the District's general obligation bonds. Although interest accrues each year, no payment is due until such time as the District's property tax revenue is sufficient to support the debt service requirements on the general obligation bonds. Changes to the School Loan Funds for the year ended June 30, 2022, are as follows:

|                       | School Bond Loan Fund |               | School Loan Revolving Fund |                 | Total             |
|-----------------------|-----------------------|---------------|----------------------------|-----------------|-------------------|
|                       | Principal             | Interest      | Principal                  | Interest        |                   |
| Beginning balance     | \$ 2,377              | \$ 82         | \$ 156,811                 | \$ 889          | \$ 160,159        |
| Additions             | -                     | 63            | 132,529                    | 4,338           | 136,930           |
| <b>Ending balance</b> | <u>\$ 2,377</u>       | <u>\$ 145</u> | <u>\$ 289,340</u>          | <u>\$ 5,227</u> | <u>\$ 297,089</u> |

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### 11. LEASES

The District is involved in one agreement as a lessee that qualifies as a long-term lease agreement. Below is a summary of the nature of this agreement. This agreement qualifies as an intangible, right-to-use asset and not a financed purchase, as the District will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year.

| Asset Type | Remaining Term of Agreement |
|------------|-----------------------------|
| Equipment  | 1 year                      |

The assets acquired through the lease are summarized as follows:

|                               |                         |
|-------------------------------|-------------------------|
| Equipment                     | \$ 34,210               |
| Less accumulated amortization | <u>(17,105)</u>         |
| <b>Net book value</b>         | <b><u>\$ 17,105</u></b> |

The net present value of future minimum payments as of June 30, 2022, were as follows:

| Year Ended<br>June 30, | Principal       | Interest      |
|------------------------|-----------------|---------------|
| 2023                   | <u>\$ 4,887</u> | <u>\$ 269</u> |

Lease liability activity for the year ended June 30, 2022, was as follows:

|                | Beginning<br>Balance* | Additions   | Deductions         | Ending<br>Balance | Due Within One<br>Year |
|----------------|-----------------------|-------------|--------------------|-------------------|------------------------|
| Leases payable | <u>\$ 34,210</u>      | <u>\$ -</u> | <u>\$ (29,323)</u> | <u>\$ 4,887</u>   | <u>\$ 4,887</u>        |

\* The District implemented the provisions of GASB Statement No. 87, Leases, in the current year. In accordance with this Statement, leases payable have been added to the beginning balances shown above and a corresponding lease asset has been recorded for the same amount.

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The District has purchased commercial insurance to protect itself from property loss, torts, errors and omissions claims, employee injury (workers' compensation) and medical benefits. Settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

### 13. PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS

#### *Plan Description*

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

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

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

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

#### *Pension Benefits Provided*

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

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

## PENNFIELD SCHOOLS

### Notes to Financial Statements

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

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

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

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

# PENNFIELD SCHOOLS

## Notes to Financial Statements

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

### **Contributions**

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over an 18-year period beginning October 1, 2020 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2022:

| <b>Benefit Structure</b>     | <b>Member Rates</b> | <b>Employers Rates</b> |
|------------------------------|---------------------|------------------------|
| Basic                        | 0.00% - 4.00%       | 19.78% -<br>20.14%     |
| Member Investment Plan (MIP) | 3.00% - 7.00%       | 19.78% -<br>20.14%     |
| Pension Plus                 | 3.00% - 6.40%       | 16.82% -<br>17.22%     |
| Pension Plus 2               | 6.20%               | 19.59% -<br>19.93%     |
| Defined Contribution         | 0.00%               | 13.39% -<br>13.73%     |

# PENNFIELD SCHOOLS

## Notes to Financial Statements

For the year ended June 30, 2022, required and actual contributions from the District to the pension plan were \$4,225,104, which included \$1,950,101, the amount received from the State and remitted to the System to fund the MPSERS unfunded actuarial accrued liability ("UAAL") stabilization rate.

The table below summarizes OPEB contribution rates in effect for fiscal year 2022:

| Benefit Structure              | Member Rates | Employers Rates |
|--------------------------------|--------------|-----------------|
| Premium Subsidy                | 3.00%        | 8.09% - 8.43%   |
| Personal Healthcare Fund (PHF) | 0.00%        | 7.23% - 7.57%   |

For the year ended June 30, 2022, required and actual contributions from the District to the OPEB plan were \$949,111.

The table below summarizes defined contribution rates in effect for fiscal year 2022:

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

For the year ended June 30, 2022, required and actual contributions from the District for those members with a defined contribution benefit were \$188,997.

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

At June 30, 2022, the District reported a liability of \$29,436,486 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2020. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2021, the District's proportion was 0.124333%, which was a decrease of 0.00180% from its proportion measured as of September 30, 2020.

# PENNFIELD SCHOOLS

## Notes to Financial Statements

For the year ended June 30, 2022, the District recognized pension expense of \$3,492,494. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|---|--------------------------------------|-------------------------------------|---|
| Differences between expected and actual experience  | \$ 455,984                           | \$ 173,346                          | \$ 282,638  |
| Changes in assumptions  | 1,855,571                            | -                                   | 1,855,571   |
| Net difference between projected and actual earnings on pension plan investments                              | -                                    | 9,463,735                           | (9,463,735)   |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 337,195                              | 530,528                             | (193,333)   |
|   | <u>2,648,750</u>                     | <u>10,167,609</u>                   | <u>(7,518,859)</u>                                    |
| District contributions subsequent to the measurement date   | 3,946,871                            | -                                   | 3,946,871   |
|   | <u>3,946,871</u>                     | <u>-</u>                            | <u>3,946,871</u>                                      |
| <b>Total</b>  | <u>\$ 6,595,621</u>                  | <u>\$ 10,167,609</u>                | <u>\$ (3,571,988)</u>                                 |

The \$3,946,871 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended<br>June 30, | Amount                |
|------------------------|-----------------------|
| 2023                   | \$ (750,236)          |
| 2024                   | (1,723,140)           |
| 2025                   | (2,434,582)           |
| 2026                   | <u>(2,610,901)</u>    |
| <b>Total</b>           | <u>\$ (7,518,859)</u> |

# PENNFIELD SCHOOLS

## Notes to Financial Statements

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

At June 30, 2022, the District reported a liability of \$1,900,874 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2020. The District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2021, the District's proportion was 0.12453% which was an increase of 0.00035% from its proportion measured as of September 30, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of \$(1,005,702). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|---|--------------------------------------|-------------------------------------|---|
| Differences between expected and actual experience  | \$ -                                 | \$ 5,425,908                        | \$ (5,425,908)  |
| Changes in assumptions  | 1,589,036                            | 237,779                             | 1,351,257   |
| Net difference between projected and actual earnings on OPEB plan investments                                 | -                                    | 1,432,723                           | (1,432,723)   |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 288,551                              | 261,263                             | 27,288  |
|   | <u>1,877,587</u>                     | <u>7,357,673</u>                    | <u>(5,480,086)</u>                                    |
| District contributions subsequent to the measurement date   | 825,373                              | -                                   | 825,373   |
| <b>Total</b>  | <u>\$ 2,702,960</u>                  | <u>\$ 7,357,673</u>                 | <u>\$ (4,654,713)</u>                                 |

# PENNFIELD SCHOOLS

## Notes to Financial Statements

The \$825,373 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended<br>June 30, | Amount                       |
|------------------------|------------------------------|
| 2023                   | \$ (1,376,030)               |
| 2024                   | (1,277,128)                  |
| 2025                   | (1,218,133)                  |
| 2026                   | (1,176,853)                  |
| 2027                   | (381,844)                    |
| Thereafter             | <u>(50,098)</u>              |
| <b>Total</b>           | <b><u>\$ (5,480,086)</u></b> |

### Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total pension and OPEB liabilities in the September 30, 2020 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                                  |   |
|----------------------------------|---|
| Actuarial cost method            | Entry age, normal   |
| Wage inflation rate              | 2.75%   |
| Investment rate of return:       |   |
| MIP and Basic plans (non-hybrid) | 6.80%   |
| Pension Plus plan (hybrid)       | 6.80%   |
| Pension Plus 2 plan (hybrid)     | 6.00%   |
| OPEB plans                       | 6.95%   |
| Projected salary increases       | 2.75% - 11.55%, including wage inflation at 2.75%   |
| Cost of living adjustments       | 3% annual non-compounded for MIP members  |
| Healthcare cost trend rate       | 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120  |
| Mortality                        | RP-2014 Male and Female Employee Annuitant Mortality Tables, adjusted for mortality improvements using projection scale MP-2017 from 2006. For retirees, the tables were scaled by 82% for males and 78% for females. For active members, 100% of the table rates were used for both males and females. |
| Other OPEB assumptions:          |   |
| Opt-out assumptions              | 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt-out of the retiree health plan.  |

# PENNFIELD SCHOOLS

## Notes to Financial Statements

|                                 |   |
|---------------------------------|---|
| Survivor coverage               | 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death. |
| Coverage election at retirement | 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.               |

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liabilities as of September 30, 2021, are based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4367 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.1312 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021, are summarized in the following table:

| Asset Class                          | Target Allocation | Long-term Expected Real Rate of Return | Expected Money-Weighted Rate of Return |
|--------------------------------------|-------------------|--|--|
| Domestic equity pools                | 25.00%            | 5.09%                                  | 1.27%                                  |
| Private equity pools                 | 16.00%            | 8.58%                                  | 1.37%                                  |
| International equity pools           | 15.00%            | 7.08%                                  | 1.06%                                  |
| Fixed income pools                   | 10.50%            | -0.73%                                 | -0.08%                                 |
| Real estate and infrastructure pools | 10.00%            | 5.12%                                  | 0.51%                                  |
| Absolute return pools                | 9.00%             | 2.42%                                  | 0.22%                                  |
| Real return/opportunistic pools      | 12.50%            | 5.73%                                  | 0.72%                                  |
| Short-term investment pools          | 2.00%             | -1.29%                                 | -0.03%                                 |
|                                      | <u>100.00%</u>    |  | 5.04%                                  |
| Inflation                            |                   |  | 2.00%                                  |
| Risk adjustment                      |                   |  | <u>-0.24%</u>                          |
| <b>Investment rate of return</b>     |                   |  | <u><u>6.80%</u></u>                    |

# PENNFIELD SCHOOLS

## Notes to Financial Statements

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2021, are summarized in the following table:

| Asset Class                          | Target Allocation | Long-term Expected Real Rate of Return | Expected Money-Weighted Rate of Return |
|--------------------------------------|-------------------|--|--|
| Domestic equity pools                | 25.00%            | 5.09%                                  | 1.27%                                  |
| Private equity pools                 | 16.00%            | 8.58%                                  | 1.37%                                  |
| International equity pools           | 15.00%            | 7.08%                                  | 1.06%                                  |
| Fixed income pools                   | 10.50%            | -0.73%                                 | -0.08%                                 |
| Real estate and infrastructure pools | 10.00%            | 5.12%                                  | 0.51%                                  |
| Absolute return pools                | 9.00%             | 2.42%                                  | 0.22%                                  |
| Real return/opportunistic pools      | 12.50%            | 5.73%                                  | 0.72%                                  |
| Short-term investment pools          | 2.00%             | -1.29%                                 | -0.03%                                 |
|                                      | 100.00%           |  | 5.04%                                  |
| Inflation                            |                   |  | 2.00%                                  |
| Risk adjustment                      |                   |  | -0.09%                                 |
| <b>Investment rate of return</b>     |                   |  | <b>6.95%</b>                           |

### *Rate of Return*

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 27.30% and 27.14%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### *Discount Rate*

A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan, both of which are hybrid plans provided through non-university employers only) and a discount rate of 6.95% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.80% (6.80% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan) and 6.95%, respectively. The projection of cash flows used to determine these discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

|   | <b>1% Decrease<br/>(5.80% / 5.80%<br/>/ 5.00%)</b> | <b>Current<br/>Discount Rate<br/>(6.80% / 6.80%<br/>/ 6.00%)</b> | <b>1% Increase<br/>(7.80% / 7.80%<br/>/ 7.00%)</b> |
|---|--|--|--|
| District's proportionate share of the net pension liability | \$ 42,086,191                                      | \$ 29,436,486  | \$ 18,949,050                                      |

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

|  | <b>1% Decrease<br/>(5.95%)</b> | <b>Current<br/>Discount Rate<br/>(6.95%)</b> | <b>1% Increase<br/>(7.95%)</b> |
|--|--------------------------------|--|--------------------------------|
| District's proportionate share of the net OPEB liability | \$ 3,532,166                   | \$ 1,900,874                                 | \$ 516,489                     |

# PENNFIELD SCHOOLS

## Notes to Financial Statements

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

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

|   | <b>1% Decrease<br/>(6.00%)</b> | <b>Current<br/>Healthcare Cost<br/>Trend Rate<br/>(7.00%)</b> | <b>1% Increase<br/>(8.00%)</b> |
|---|--------------------------------|---|--------------------------------|
| District's proportionate share of<br>the net OPEB liability | \$ 462,658                     | \$ 1,900,874  | \$ 3,519,040                   |

### *Pension and OPEB Plans Fiduciary Net Position*

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

### *Payable to the Pension Plan*

At June 30, 2022, the District reported a payable of \$554,065 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2022.

### *Payable to the OPEB Plan*

At June 30, 2022, the District reported a payable of \$80,073 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2022.

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### 14. FUND BALANCES - GOVERNMENTAL FUNDS

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

|  | General Fund        | 2022 Capital<br>Projects Fund | Debt Service<br>Fund | Nonmajor<br>Governmental<br>Funds | Total                |
|--|---------------------|-------------------------------|----------------------|-----------------------------------|----------------------|
| Nonspendable:                                      |                     |                               |                      |                                   |                      |
| Inventories  | \$ 46,172           | \$ -                          | \$ -                 | \$ 17,066                         | \$ 63,238            |
| Prepays  | 34,352              | -                             | -                    | -                                 | 34,352               |
| Total nonspendable                                 | <u>80,524</u>       | <u>-</u>                      | <u>-</u>             | <u>17,066</u>                     | <u>97,590</u>        |
| Restricted for:                                    |                     |                               |                      |                                   |                      |
| Capital projects                                   | -                   | 29,475,666                    | -                    | -                                 | 29,475,666           |
| Debt service                                       | -                   | -                             | 164,362              | -                                 | 164,362              |
| Food service                                       | -                   | -                             | -                    | 544,859                           | 544,859              |
| Student scholarship                                | -                   | -                             | -                    | 41,796                            | 41,796               |
| Total restricted                                   | <u>-</u>            | <u>29,475,666</u>             | <u>164,362</u>       | <u>586,655</u>                    | <u>30,226,683</u>    |
| Committed for:                                     |                     |                               |                      |                                   |                      |
| Student service activity                           | -                   | -                             | -                    | 208,493                           | 208,493              |
| Assigned for:                                      |                     |                               |                      |                                   |                      |
| Capital purchases                                  | 1,717,881           | -                             | -                    | -                                 | 1,717,881            |
| Power Up Learning program                          | 30,000              | -                             | -                    | -                                 | 30,000               |
| Total assigned                                     | <u>1,747,881</u>    | <u>-</u>                      | <u>-</u>             | <u>-</u>                          | <u>1,747,881</u>     |
| Unassigned   | <u>4,626,329</u>    | <u>-</u>                      | <u>-</u>             | <u>-</u>                          | <u>4,626,329</u>     |
| <b>Total fund balances,<br/>governmental funds</b> | <u>\$ 6,454,734</u> | <u>\$ 29,475,666</u>          | <u>\$ 164,362</u>    | <u>\$ 812,214</u>                 | <u>\$ 36,906,976</u> |

# PENNFIELD SCHOOLS

## Notes to Financial Statements

### 15. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of June 30, 2022 was as follows:

|   |                            |
|---|----------------------------|
| Capital assets:                         |                            |
| Capital assets not being depreciated    | \$ 1,104,318               |
| Capital assets being depreciated, net   | <u>25,034,166</u>          |
|   | <u>26,138,484</u>          |
| Related debt:                           |                            |
| Bonds payable                           | 45,700,000                 |
| Deferred charge on refunding            | (537,512)                  |
| Deferred issuance premiums              | 2,127,850                  |
| Leases payable                          | 4,887                      |
| Unspent bond proceeds                   | <u>(29,475,666)</u>        |
|   | <u>17,819,559</u>          |
| <b>Net investment in capital assets</b> | <b><u>\$ 8,318,925</u></b> |

### 16. CONTINGENCIES

#### *Federal Grant Programs*

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

#### *Litigation*

In the normal course of its activities, the District is a party in various legal actions and subject to certain asserted and unasserted claims and assessments. Management of the District is of the opinion that the outcome of such actions will not have a material effect on the financial position of the District and, therefore, has not reflected loss reserves in the financial statements.

### 17. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the District to deliver education to students in a safe environment, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. Over the past two years, the District has been awarded funds from various sources to be used to respond to the impacts of the COVID-19 pandemic. Of the amount awarded, approximately \$2 million was expended and recognized as revenue during the current fiscal year. With these additional Federal resources, at this time management does not believe that the negative financial impact of the pandemic, if any, would be material to the District.



**This page intentionally left blank.**

## **REQUIRED SUPPLEMENTARY INFORMATION**

## PENNFIELD SCHOOLS

### Required Supplementary Information

MPSERS Cost-Sharing Multiple Employer Plan

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

|  | Year Ended June 30, |               |               |
|--|---------------------|---------------|---------------|
|  | 2022                | 2021          | 2020          |
| District's proportionate share of the net pension liability  | \$ 29,436,486       | \$ 43,327,594 | \$ 41,934,128 |
| District's proportion of the net pension liability   | 0.12433%            | 0.12613%      | 0.12663%      |
| District's covered payroll   | \$ 11,240,491       | \$ 11,004,355 | \$ 11,256,691 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 261.88%             | 393.73%       | 372.53%       |
| Plan fiduciary net position as a percentage of the total pension liability                         | 72.60%              | 59.72%        | 60.31%        |

See notes to required supplementary information.



| Year Ended June 30, |               |               |               |               |
|---------------------|---------------|---------------|---------------|---------------|
| 2019                | 2018          | 2017          | 2016          | 2015          |
| \$ 37,057,238       | \$ 31,439,522 | \$ 29,484,464 | \$ 28,925,585 | \$ 25,510,558 |
| 0.12327%            | 0.12132%      | 0.11818%      | 0.11843%      | 0.11582%      |
| \$ 10,634,836       | \$ 10,336,814 | \$ 10,011,577 | \$ 10,012,123 | \$ 10,004,841 |
| 348.45%             | 304.15%       | 294.50%       | 288.91%       | 254.98%       |
| 62.36%              | 64.21%        | 63.27%        | 63.17%        | 66.20%        |

## PENNFIELD SCHOOLS

### Required Supplementary Information

MPSERS Cost-Sharing Multiple Employer Plan  
Schedule of the District's Pension Contributions

|   | Year Ended June 30, |                    |                    |
|---|---------------------|--------------------|--------------------|
|   | 2022                | 2021               | 2020               |
| Statutorily required contribution                                     | \$ 4,225,104        | \$ 3,702,954       | \$ 3,470,905       |
| Contributions in relation to the statutorily<br>required contribution | <u>(4,225,104)</u>  | <u>(3,702,954)</u> | <u>(3,470,905)</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>         | <u>\$ -</u>        | <u>\$ -</u>        |
| District's covered payroll  | \$ 12,087,072       | \$ 11,080,371      | \$ 11,164,127      |
| Contributions as a percentage of covered payroll                      | 34.96%              | 33.42%             | 31.09%             |

See notes to required supplementary information.



| Year Ended June 30, |                    |                    |                    |                    |
|---------------------|--------------------|--------------------|--------------------|--------------------|
| 2019                | 2018               | 2017               | 2016               | 2015               |
| \$ 3,294,801        | \$ 3,382,735       | \$ 2,833,589       | \$ 2,691,043       | \$ 2,265,883       |
| <u>(3,294,801)</u>  | <u>(3,382,735)</u> | <u>(2,833,589)</u> | <u>(2,691,043)</u> | <u>(2,265,883)</u> |
| <u>\$ -</u>         | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| \$ 10,915,921       | \$ 10,723,735      | \$ 10,330,716      | \$ 10,025,385      | \$ 10,131,236      |
| 30.18%              | 31.54%             | 27.43%             | 26.84%             | 22.37%             |

## PENNFIELD SCHOOLS

### Required Supplementary Information

MPERS Cost-Sharing Multiple Employer Plan

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

|   | Year Ended June 30, |               |               |               |               |
|---|---------------------|---------------|---------------|---------------|---------------|
|   | 2022                | 2021          | 2020          | 2019          | 2018          |
| District's proportionate share of the net OPEB liability  | \$ 1,900,874        | \$ 6,652,626  | \$ 9,240,850  | \$ 9,922,878  | \$ 10,761,743 |
| District's proportion of the net OPEB liability   | 0.12453%            | 0.12418%      | 0.12874%      | 0.12483%      | 0.12153%      |
| District's covered payroll  | \$ 11,240,491       | \$ 11,004,355 | \$ 11,256,691 | \$ 10,634,836 | \$ 10,336,814 |
| District's proportionate share of the net OPEB liability as a percentage of its covered payroll | 16.91%              | 60.45%        | 82.09%        | 93.31%        | 104.11%       |
| Plan fiduciary net position as a percentage of the total OPEB liability                         | 87.33%              | 59.44%        | 48.46%        | 42.95%        | 36.39%        |

See notes to required supplementary information.

## PENNFIELD SCHOOLS

### Required Supplementary Information

MPERS Cost-Sharing Multiple Employer Plan

Schedule of the District's Other Postemployment Benefit (OPEB) Contributions

|  | Year Ended June 30, |               |               |               |               |
|--|---------------------|---------------|---------------|---------------|---------------|
|  | 2022                | 2021          | 2020          | 2019          | 2018          |
| Statutorily required contribution                                  | \$ 949,111          | \$ 908,313    | \$ 883,582    | \$ 852,586    | \$ 794,001    |
| Contributions in relation to the statutorily required contribution | (949,111)           | (908,313)     | (883,582)     | (852,586)     | (794,001)     |
| Contribution deficiency (excess)                                   | \$ -                | \$ -          | \$ -          | \$ -          | \$ -          |
| District's covered payroll   | \$ 12,087,072       | \$ 11,080,371 | \$ 11,164,127 | \$ 10,915,921 | \$ 10,723,735 |
| Contributions as a percentage of covered payroll                   | 7.85%               | 8.20%         | 7.91%         | 7.81%         | 7.40%         |

See notes to required supplementary information.

## PENNFIELD SCHOOLS

### Notes to Required Supplementary Information

#### Pension Information

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

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

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

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

#### OPEB Information

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

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

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

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

## **COMBINING FUND FINANCIAL STATEMENTS**

# PENNFIELD SCHOOLS

## Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2022

|  | Special Revenue   |                             |                        | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-------------------|-----------------------------|------------------------|--|
|  | Food<br>Service   | Student Service<br>Activity | Student<br>Scholarship |  |
| <b>Assets</b>                              |                   |                             |                        |  |
| Cash and cash equivalents                  | \$ 457,955        | \$ 214,475                  | \$ 41,796              | \$ 714,226                                 |
| Receivables -                              |                   |                             |                        |  |
| Accounts                                   | -                 | 434                         | -                      | 434  |
| Due from other funds                       | 189,860           | -                           | -                      | 189,860                                    |
| Inventories                                | 17,066            | -                           | -                      | 17,066                                     |
| <b>Total assets</b>                        | <u>\$ 664,881</u> | <u>\$ 214,909</u>           | <u>\$ 41,796</u>       | <u>\$ 921,586</u>                          |
| <b>Liabilities</b>                         |                   |                             |                        |  |
| Accounts payable                           | \$ 10,187         | \$ 3,686                    | \$ -                   | \$ 13,873                                  |
| Due to other governments                   | 29,188            | -                           | -                      | 29,188                                     |
| Due to other funds                         | 53,606            | 2,730                       | -                      | 56,336                                     |
| Unearned revenue                           | 9,975             | -                           | -                      | 9,975                                      |
| <b>Total liabilities</b>                   | <u>102,956</u>    | <u>6,416</u>                | <u>-</u>               | <u>109,372</u>                             |
| <b>Fund balances</b>                       |                   |                             |                        |  |
| Nonspendable                               | 17,066            | -                           | -                      | 17,066                                     |
| Restricted                                 | 544,859           | -                           | 41,796                 | 586,655                                    |
| Committed                                  | -                 | 208,493                     | -                      | 208,493                                    |
| <b>Total fund balances</b>                 | <u>561,925</u>    | <u>208,493</u>              | <u>41,796</u>          | <u>812,214</u>                             |
| <b>Total liabilities and fund balances</b> | <u>\$ 664,881</u> | <u>\$ 214,909</u>           | <u>\$ 41,796</u>       | <u>\$ 921,586</u>                          |

## PENNFIELD SCHOOLS

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

Nonmajor Governmental Funds  
For the Year Ended June 30, 2022

|   | Special Revenue   |                             |                        | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|-------------------|-----------------------------|------------------------|--|
|   | Food<br>Service   | Student Service<br>Activity | Student<br>Scholarship |  |
| <b>Revenues</b>                             |                   |                             |                        |  |
| Local sources                               | \$ 64,812         | \$ 144,537                  | \$ 8,765               | \$ 218,114                                 |
| State sources                               | 6,414             | -                           | -                      | 6,414                                      |
| Federal sources                             | 1,359,497         | -                           | -                      | 1,359,497                                  |
| <b>Total revenues</b>                       | <b>1,430,723</b>  | <b>144,537</b>              | <b>8,765</b>           | <b>1,584,025</b>                           |
| <b>Expenditures</b>                         |                   |                             |                        |  |
| Current:                                    |                   |                             |                        |  |
| Supporting services                         | -                 | 138,047                     | 7,101                  | 145,148                                    |
| Food service                                | 1,169,281         | -                           | -                      | 1,169,281                                  |
| Capital outlay                              | 245,011           | -                           | -                      | 245,011                                    |
| <b>Total expenditures</b>                   | <b>1,414,292</b>  | <b>138,047</b>              | <b>7,101</b>           | <b>1,559,440</b>                           |
| Revenues over expenditures                  | 16,431            | 6,490                       | 1,664                  | 24,585                                     |
| <b>Other financing sources (uses)</b>       |                   |                             |                        |  |
| Transfers in                                | 11                | -                           | -                      | 11   |
| Transfers out                               | (47,709)          | -                           | -                      | (47,709)                                   |
| <b>Total other financing sources (uses)</b> | <b>(47,698)</b>   | <b>-</b>                    | <b>-</b>               | <b>(47,698)</b>                            |
| <b>Net change in fund balances</b>          | <b>(31,267)</b>   | <b>6,490</b>                | <b>1,664</b>           | <b>(23,113)</b>                            |
| Fund balances, beginning of year            | 593,192           | 202,003                     | 40,132                 | 835,327                                    |
| <b>Fund balances, end of year</b>           | <b>\$ 561,925</b> | <b>\$ 208,493</b>           | <b>\$ 41,796</b>       | <b>\$ 812,214</b>                          |

**This page intentionally left blank.**

Pennfield  
Schools



Year Ended  
June 30, 2022

Single Audit Act  
Compliance

**Rehmann**

**This page is intentionally left blank.**

# PENNFIELD SCHOOLS

## Table of Contents

|   | <u>Page</u> |
|---|-------------|
| Independent Auditors' Report on the Schedule of Expenditures<br>of Federal Awards Required by the Uniform Guidance  | 1           |
| Schedule of Expenditures of Federal Awards  | 4           |
| Notes to Schedule of Expenditures of Federal Awards   | 8           |
| Independent Auditors' Report on Internal Control over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with <i>Government Auditing Standards</i> | 9           |
| Independent Auditors' Report on Compliance for the Major Federal Program<br>and on Internal Control over Compliance Required by the Uniform Guidance  | 11          |
| Schedule of Findings and Questioned Costs   | 15          |
| Summary Schedule of Prior Audit Findings  | 18          |



**This page is intentionally left blank.**

INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE

September 13, 2022

Board of Education  
Pennfield Schools  
Battle Creek, Michigan

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Pennfield Schools** (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated September 13, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Rehmann Lobson LLC*



**This page is intentionally left blank.**

**This page is intentionally left blank.**

# PENNFIELD SCHOOLS

## Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

| Federal Agency / Cluster / Program Title                            | Assistance Listing Number | Passed Through | Pass-through / Grantor Number |
|---|---------------------------|----------------|-------------------------------|
| <b>U.S. Department of Agriculture</b>                               |                           |                |                               |
| Child Nutrition Cluster:  |                           |                |                               |
| COVID-19 - Seamless Summer Option (SSO) Breakfast                   | 10.553                    | MDE            | 211971                        |
| COVID-19 - Seamless Summer Option (SSO) Breakfast                   | 10.553                    | MDE            | 221971                        |
| Entitlement commodities (non-cash)                                  | 10.555                    | MDE            | -n/a-                         |
| Entitlement commodities bonus (non-cash)                            | 10.555                    | MDE            | -n/a-                         |
| COVID-19 - Seamless Summer Option (SSO) Lunch                       | 10.555                    | MDE            | 211961                        |
| COVID-19 - Seamless Summer Option (SSO) Lunch                       | 10.555                    | MDE            | 221961                        |
| COVID-19 - Supply Chain Assistance                                  | 10.555                    | MDE            | 220910                        |
| Summer Feeding School Program                                       | 10.559                    | MDE            | 210904                        |
| Total Child Nutrition Cluster                                       |                           |                |                               |
| COVID-19 - Pandemic EBT Local Level Costs                           | 10.649                    | MDE            | 210980                        |
| <b>Total U.S. Department of Agriculture</b>                         |                           |                |                               |
| <b>U.S. Federal Communications Commission</b>                       |                           |                |                               |
| COVID-19 - Emergency Connectivity Fund Program                      | 32.009                    | USAC           | -n/a-                         |
| <b>U.S. Department of Education</b>                                 |                           |                |                               |
| Title I, Part A - Improving Basic Programs:                         |                           |                |                               |
| 2020-2021   | 84.010                    | MDE            | 211530-2021                   |
| 2021-2022   | 84.010                    | MDE            | 221530-2122                   |
| Title II, Part A - Supporting Effective Instruction State Grants:   |                           |                |                               |
| 2020-2021   | 84.367                    | MDE            | 210520-2021                   |
| 2021-2022   | 84.367                    | MDE            | 220520-2122                   |
| Title IV, Part A - Student Support and Academic Enrichment Program: |                           |                |                               |
| 2020-2021   | 84.424                    | MDE            | 210750-2021                   |
| 2021-2022   | 84.424                    | MDE            | 220750-2122                   |

| Approved Grant Award Amount | Accrued (Unearned) Revenue June 30, 2021 | Current Year Cash Received | Expenditures (Memo Only) Prior Year(s) | Expenditures Year Ended June 30, 2022 | Accrued (Unearned) Revenue June 30, 2022 |
|-----------------------------|--|----------------------------|--|---------------------------------------|--|
| \$ 44,825                   | \$ -                                     | \$ 44,825                  | \$ -                                   | \$ 44,825                             | \$ -                                     |
| 343,723                     | -  | 343,723                    | -                                      | 343,723                               | -  |
|                             | -  | 388,548                    | -                                      | 388,548                               | -  |
| 78,255                      | -  | 78,255                     | -                                      | 78,255                                | -  |
| 3,421                       | -  | 3,421                      | -                                      | 3,421                                 | -  |
| 114,668                     | -  | 114,668                    | -                                      | 114,668                               | -  |
| 721,692                     | -  | 721,692                    | -                                      | 721,692                               | -  |
| 42,363                      | -  | 42,363                     | -                                      | 42,363                                | -  |
|                             | -  | 960,399                    | -                                      | 960,399                               | -  |
| 672,982                     | 30,808                                   | 41,358                     | 662,432                                | 10,550                                | -  |
|                             | 30,808                                   | 1,390,305                  | 662,432                                | 1,359,497                             | -  |
| 3,063                       | -  | 3,063                      | -                                      | 3,063                                 | -  |
|                             | 30,808                                   | 1,393,368                  | 662,432                                | 1,362,560                             | -  |
| 106,195                     | -  | 81,375                     | -                                      | 106,195                               | 24,820                                   |
| 256,690                     | 74,460                                   | 74,460                     | 218,912                                | -                                     | -  |
| 265,523                     | -  | 223,286                    | -                                      | 238,049                               | 14,763                                   |
|                             | 74,460                                   | 297,746                    | 218,912                                | 238,049                               | 14,763                                   |
| 70,796                      | 19,929                                   | 21,415                     | 45,528                                 | 1,486                                 | -  |
| 64,680                      | -  | 45,866                     | -                                      | 46,072                                | 206                                      |
|                             | 19,929                                   | 67,281                     | 45,528                                 | 47,558                                | 206                                      |
| 20,506                      | 7,500                                    | 10,645                     | 8,000                                  | 3,145                                 | -  |
| 27,292                      | -  | 9,574                      | -                                      | 18,117                                | 8,543                                    |
|                             | 7,500                                    | 20,219                     | 8,000                                  | 21,262                                | 8,543                                    |

continued...

# PENNFIELD SCHOOLS

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

| Federal Agency / Cluster / Program Title                       | Assistance Listing Number | Passed Through | Pass-through / Grantor Number |
|--|---------------------------|----------------|-------------------------------|
| COVID-19 - Education Stabilization Fund:                       |                           |                |                               |
| Governor's Emergency Education Relief (GEER) Fund:             |                           |                |                               |
| GEER I   | 84.425C                   | MDE            | 201200-2021                   |
| GEER II - Teacher & Support Staff Payments                     | 84.425C                   | MDE            | 211202-2122                   |
| Elementary and Secondary School Emergency Relief (ESSER) Fund: |                           |                |                               |
| ESSER Formula Funds  | 84.425D                   | MDE            | 203710-1920                   |
| ESSER Formula Funds II   | 84.425D                   | MDE            | 213712-2021                   |
| ESSER II - Credit Recovery 9-12                                | 84.425D                   | MDE            | 213742-2122                   |
| ESSER III - American Rescue Plan                               | 84.425U                   | MDE            | 213713-2122                   |
| <b>Total U.S. Department of Education</b>                      |                           |                |                               |
| <b>Total Federal Financial Assistance</b>                      |                           |                |                               |

See notes to schedule of expenditures of federal awards.



| Approved Grant Award Amount | Accrued (Unearned) Revenue June 30, 2021 | Current Year Cash Received | Expenditures (Memo Only) Prior Year(s) | Expenditures Year Ended June 30, 2022 | Accrued (Unearned) Revenue June 30, 2022 |
|-----------------------------|--|----------------------------|--|---------------------------------------|--|
| \$ 131,485                  | \$ 792                                   | \$ 792                     | \$ 131,485                             | \$ -                                  | \$ -                                     |
| 2,750                       | -  | 2,750                      | -                                      | 2,750                                 | -  |
| 184,843                     | 44,649                                   | 44,649                     | 184,843                                | -                                     | -  |
| 852,451                     | -  | 550,709                    | -                                      | 650,766                               | 100,057                                  |
| 20,900                      | -  | 20,900                     | -                                      | 20,900                                | -  |
| 1,915,847                   | -  | -                          | -                                      | 12,921                                | 12,921                                   |
|                             | <u>45,441</u>                            | <u>619,800</u>             | <u>316,328</u>                         | <u>687,337</u>                        | <u>112,978</u>                           |
|                             | <u>147,330</u>                           | <u>1,005,046</u>           | <u>588,768</u>                         | <u>994,206</u>                        | <u>136,490</u>                           |
|                             | <u>\$ 178,138</u>                        | <u>\$ 2,479,789</u>        | <u>\$ 1,251,200</u>                    | <u>\$ 2,462,961</u>                   | <u>\$ 161,310</u>                        |

concluded.

# PENNFIELD SCHOOLS

## Notes to Schedule of Expenditures of Federal Awards

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Pennfield Schools (the "District") under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts 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.

Cash received is recorded on the cash basis; expenditures are recorded on the modified accrual basis of accounting. Revenues are recognized when the qualifying expenditures have been incurred and all grant requirements have been met.

The Schedule has been arranged to provide information on both actual cash received and the revenue recognized. Accordingly, the effects of accruals of accounts receivable, unearned revenue and accounts payable items at both the beginning and end of the fiscal year have been reported.

Expenditures are in agreement with amounts reported in the financial statements and the financial reports. The amounts reported on the Grant Auditor Report reconcile with this Schedule.

### 2. 10% DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the District has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

### 3. PASS-THROUGH AGENCIES

The District receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

| Pass-through Agency Abbreviation | Pass-through Agency Name                 |
|----------------------------------|--|
| MDE                              | Michigan Department of Education         |
| USAC                             | Universal Service Administrative Company |



**INDEPENDENT AUDITORS' 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***

September 13, 2022

Board of Education  
Pennfield Schools  
Battle Creek, Michigan

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 **Pennfield Schools** (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 13, 2022.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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.

*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 have not been identified.



## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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.

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

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

September 13, 2022

Board of Education  
Pennfield Schools  
Battle Creek, Michigan

### Report on Compliance for the Major Federal Program

#### *Opinion on the Major Federal Program*

We have audited the compliance of **Pennfield Schools** (the "District") 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 the District's major federal program for the year ended June 30, 2022. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

#### *Basis for Opinion on the Major Federal Program*

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

We are required to be independent of the District 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 the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

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

### ***Independent Auditors' Responsibilities for the Audit of Compliance***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control Over Compliance**

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

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

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

### ***Purpose of this Report***

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.

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

**This page is intentionally left blank.**

# PENNFIELD SCHOOLS

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes       X       no

Significant deficiency(ies) identified?            yes       X       none reported

Noncompliance material to financial statements noted?            yes       X       no

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?            yes       X       no

Significant deficiency(ies) identified?            yes       X       none reported

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

Identification of major programs and type of auditors' report issued on compliance for each major program:

| <u>Assistance Listing Number</u> | <u>Name of Federal Program or Cluster</u> | <u>Type of Report</u> |
|----------------------------------|---|-----------------------|
| 84.425                           | Educational Stabilization Fund            | Unmodified            |

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

Auditee qualified as low-risk auditee?       X       yes            no

## **PENNFIELD SCHOOLS**

### **Schedule of Findings and Questioned Costs**

For the Year Ended June 30, 2022

#### **SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

# PENNFIELD SCHOOLS

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

■ ■ ■ ■ ■

# PENNFIELD SCHOOLS

## Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2022

None reported.



**INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

September 13, 2022

Board of Education  
Pennfield Schools  
Battle Creek, Michigan

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of *Pennfield Schools* (the "District") as of and for the year ended June 30, 2022, and have issued our report thereon dated September 13, 2022. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 7, 2022, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated September 13, 2022. In addition, we noted a certain other matter which is included in Attachment A to this letter.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

### **Significant Risks Identified**

We have identified the risks of management override of internal control and revenue recognition as significant risks, and have obtained an understanding of the District's related controls, including control activities, relevant to such risks.

### **Qualitative Aspects of the District's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

In addition, the financial statements include net pension and other postemployment benefit liabilities and other related amounts, which are dependent on estimates made by the plan. These estimates are based on historical trends and industry standards but are not within the control of management.

#### **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

#### **Representations Requested from Management**

We have requested certain written representations from management, which are included in Attachment C to this letter.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

**Other Information in Documents Containing Audited Financial Statements**

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. 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.

**Upcoming Changes in Accounting Standards**

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of ***Pennfield Schools*** and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature of Rehmann Robson LLC in black ink.

# PENNFIELD SCHOOLS

## Attachment A - Comments and Recommendations

For the June 30, 2022 Audit

During our audit, we became aware of a certain other matter that is an opportunity for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comment and recommendation regarding this matter. Our consideration of the District's internal control over financial reporting is described in our report, dated September 13, 2022, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated September 13, 2022, on the financial statements of *Pennfield Schools*.

### ***Review and Approval of Employment Contracts***

During our audit, we noted that the District was unable to provide adequate supporting documentation for one employee's approved pay rate. We recommend that the District maintain adequate documentation to support each employee's pay rate and that documentation contain approval by the appropriate individual.

### ***Management's Response:***

The District did have approval for the pay rate from the Director who hired the employee, however it was via text message that was then printed out to keep as documentation. In the future the District will make sure that the documentation we receive will be via email or hard copy.



# PENNFIELD SCHOOLS

## Attachment B – Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2022 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the District in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the District. For the complete text of these and other GASB standards, visit [www.gasb.org](http://www.gasb.org) and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

### **GASB 91 ■ Conduit Debt Obligations**

*Effective 12/15/2022 (your FY 2023)*

This standard defines "conduit debt obligations", where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is more likely than not that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the District.

### **GASB 94 ■ Public-Private and Public-Public Partnerships and Availability Payment Arrangements**

*Effective 06/15/2023 (your FY 2023)*

This standard addresses accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. We do not expect this standard to have any significant effect on the District.

### **GASB 96 ■ Subscription-Based Information Technology Arrangements**

*Effective 06/15/2023 (your FY 2023)*

This standard expands on the new guidance for leases and applies it to computer software contracts (subscriptions) with similar characteristics. Governments that subscribe to a vendor's IT software will now report offsetting intangible subscription assets and subscription liabilities equal to the present value of future subscription payments.

### **GASB 99 ■ Omnibus 2022**

*Effective 06/15/2023 (your FY 2023)*

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the District.

# PENNFIELD SCHOOLS

## Attachment B – Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2022 Audit

### **GASB 100 ■ Accounting Changes and Error Corrections**

*Effective 06/15/2024 (your FY 2024)*

This standard clarifies the presentation and disclosure requirements for prior period adjustments to beginning net position. We do not expect this standard to have any significant effect on the District.

### **GASB 101 ■ Compensated Absences**

*Effective 12/15/2024 (your FY 2025)*

This standard revises the liability governments record for compensated absences payable to include any sick, vacation, personal time, or other PTO reasonably expected to be used by employees or paid out to them at termination.



## **PENNFIELD SCHOOLS**

### **Attachment C – Management Representations**

For the June 30, 2022 Audit

The following pages contain the written representations that we requested from management.

**PENNFIELD SCHOOLS**  
**8587 PENNFIELD ROAD**  
**BATTLE CREEK, MI 49017**

September 13, 2022

Rehmann Robson  
675 Robinson Road  
Jackson, Michigan 49203

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of *Pennfield Schools* (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position and results of operations, and the budgetary comparison for the general fund of the District in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of September 13, 2022:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 7, 2022, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
4. With respect to any assistance you provided in drafting the financial statements and related notes, we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;
  - c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the service performed; and
  - e. Established and maintained internal controls, including monitoring ongoing activities.

5. We acknowledge our responsibility 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.
6. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
7. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. With regard to items reported at fair value:
  - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
12. All funds and activities are properly classified.
13. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
14. All components of net position and fund balance classifications have been properly reported.
15. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
16. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
17. All interfund and intra-entity transactions and balances have been properly classified and reported.
18. Deposit and investment risks have been properly and fully disclosed.
19. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
20. All required supplementary information is measured and presented within the prescribed guidelines.

21. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
22. We are responsible for the fair presentation of the District's proportionate share of the net pension liability of the Michigan Public School Employees Retirement System (MPERS) and related amounts. We provided MPERS with complete and accurate information regarding the District's participation in the plan, and have reviewed the information provided by MPERS for inclusion in the District's financial statements.
23. In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the District to deliver education to students in a safe environment, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. Over the past two years, the District has been awarded funds from various sources to be used to respond to the impacts of the COVID-19 pandemic. Of the amount awarded, approximately \$2 million was expended and recognized as revenue during the current fiscal year. With these additional Federal resources, at this time management does not believe that the negative financial impact of the pandemic, if any, would be material to the District.

#### **Information Provided**

24. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
25. All transactions have been recorded in the accounting records and are reflected in the financial statements.
26. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
27. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
28. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
29. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

30. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
31. We have a process to track the status of audit findings and recommendations.
32. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
33. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
34. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
35. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
36. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
37. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
38. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
39. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
40. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
41. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
42. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
43. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

### **Supplementary Information in Relation to the Financial Statements as a Whole**

44. With respect to the supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

### **Required Supplementary Information**

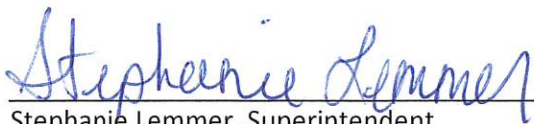
45. With respect to the required supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

### **Uniform Guidance (2 CFR 200)**

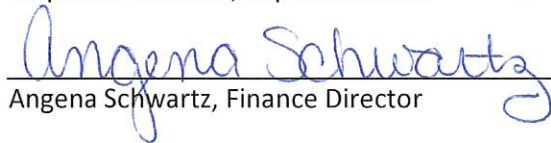
46. With respect to federal awards, we represent the following to you:
- a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
  - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
  - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
  - d. The methods of measurement or presentation have not changed from those used in the prior period.
  - e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

- f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- g. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- h. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- i. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- j. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
- k. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- l. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- m. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- n. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- o. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- p. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance.
- q. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- s. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- u. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- v. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- w. The reporting package does not contain protected personally identifiable information.
- x. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- y. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- z. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.



Stephanie Lemmer, Superintendent



Angena Schwartz, Finance Director



## Pennfield Schools

Monday, August 15, 2022 - 6:30 p.m.

Regular Board Meeting  
High School Media Center  
8299 Pennfield Road  
Battle Creek, MI 49017

### MINUTES

#### 1. Call to Order and Roll Call

The meeting was called to order at 6:30 p.m. by President Wells-Jenny.

- Dana Wells-Jenny, President - Present
- Sarah Jones, Secretary - Present
- Brad Crandall, Trustee - Absent
- Tim Wood, Trustee - Present
- Dawn Forton, Vice President - Present
- Bryan Smith, Treasurer - Present
- Jeff Wolfersberger, Trustee - Present

#### 2. Pledge of Allegiance

#### 3. Board President / Superintendent Comments

Board President Wells-Jenny read a prepared statement.

Superintendent Lemmer read a prepared statement.

#### 4. Consent Agenda

It was moved by **FORTON**; seconded by **WOOD** to approve the consent agenda items with one motion. AYES: 6-0

- a. Approve Regular School Board Minutes from July 19, 2022
- b. Approve Check Registers

- c. Approve Electronic Funds Transfer
- d. Approve Finance Expenditure Report

5. Student Representative Comments Superintendent Report

Nadalie Pratt, high school student representative, highlighted events involving the high school student body.

6. Superintendent Report

- Legislative

Board members were reminded of the upcoming MASB Annual Leadership Conference October 20 - October 23, 2022. Board members were encouraged to attend the conference. It is a great opportunity to network with other school district board members and to take CBA courses in order to receive Board member certification. Classes and lodging book fast for this conference. Board members were asked to contact the superintendent's office for assistance in registering.

7. Construction/Facilities Committee Meeting Report

8. Approval of New Staff

It was moved by **SMITH** and seconded by **FORTON** to approve the following staff members with one motion. AYES: 6-0

- \* Kelsey Werner - 4th grade, replacing Kelsey Sanford
- \* Jessica Eldridge - High School assistant principal, replacing Tim Goggins
- \* Buffy Bagley-O'Brien - 1st grade at North Penn, replacing Melinda Walters
- \* Shelly Janofski - Kindergarten at North Penn, replacing Betty Culp

9. Request Payment of Bond Bills

The district has received invoices relating to upcoming construction projects.

- King Scott Architects, \$35,650 - Elementary additions, Middle School and High School design work May 1, 2022 thru May 30, 2022.
- King Scott Architects, \$94, 818.38 - Dunlap, Middle School, High School and Stadium remodel work June 1, 2022 thru June 30, 2022
- King Scott Architects - \$61,025.71 - Dunlap, Middle School and High School remodel work July 1, 2022 - July 31, 2022
- Triangle Inc. - \$26,000 - pre-construction services
- Driesenga Associates - \$7,050 - for geotechnical services at North Penn and Purdy

Total: \$224,544.09

It was moved by **JONES** and seconded by **WOOD** to approve the construction payments listed above. AYES: 6-0

10. Approval of Third Reading of Policy #7540.02 Web Accessibility, Content, APPS and Services

It was moved by **SMITH** seconded by **JONES** to approve the third reading of policy #7540.02 Web Accessibility, Content, APPS and Services. AYES: 6-0

11. Guest and Visitor Comment

Numerous community members, students, parents and staff members commented on Board member comments at the July 18, 2022 meeting relating to the proposed curriculum.

12. Adjournment

The meeting was adjourned at 8:02 by **WOOD**

Respectfully submitted,

Recorded and submitted by  
Stephanie Lemmer

Approved by the Board on  
Monday, September 19, 2022  
Signed by Board the Secretary

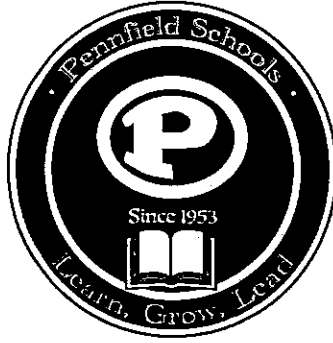
---

Stephanie Lemmer, Superintendent

---

Sarah Jones, Board Secretary

Date: September 19, 2022



**Pennfield Schools**

Monday, August 31, 2022 - 6:00 p.m.

Regular Board Meeting  
High School Media Center  
8299 Pennfield Road  
Battle Creek, MI 49017

**MINUTES**

1. Call to Order

The meeting was called to order at 6:01 p.m. by President Wells-Jenny.

2. Roll Call

- Dana Wells-Jenny, President - Present
- Sarah Jones, Secretary - Present
- Brad Crandall, Trustee - Absent
- Tim Wood, Trustee - Present
- Dawn Forton, Vice President - Present
- Bryan Smith, Treasurer - Absent
- Jeff Wolfersberger, Trustee - Present

Administration present: Trevor DeVeaux, Angena Schwartz, April Yates and Stephanie Lemmer

Guests: Angela Biergeder, Colleen Webb and Ben Campbell.

3. Pledge of Allegiance

3. Public Comments

3.a Colleen Webb, 5149 Glennwood Drive, Battle Creek, MI 49017

3.b Benjamin Campbell, 767 McCallister Road, Battle Creek MI 49017

4. Action Items

4.a Termination of Employment

It was moved by **FORTON** and seconded **WOOD** to approve the termination of Colleen Webb, executive assistant to the superintendent. AYES: 5-0

5. Board Member Comments

6. Adjournment

President Wells-Jenny adjourned the meeting at 6:08 p.m.

Respectfully submitted,

Recorded and submitted by  
Stephanie Lemmer

Approved by the Board on  
Monday, September 19, 2022  
Signed by Board Secretary Jones

---

Stephanie Lemmer, Superintendent  
Recorded and Submitted

---

Sarah Jones, Board Secretary

Date: September 19, 2022



## **Pennfield Schools**

Monday, August 31, 2022 - 6:00 p.m.

Regular Board Meeting  
High School Media Center  
8299 Pennfield Road  
Battle Creek, MI 49017

### **MINUTES**

#### 1. Call to Order

The meeting was called to order at 6:01 p.m. by President Wells-Jenny.

#### 2. Roll Call

- Dana Wells-Jenny, President - Present
- Sarah Jones, Secretary - Present
- Brad Crandall, Trustee - Absent
- Tim Wood, Trustee - Present
- Dawn Forton, Vice President - Present
- Bryan Smith, Treasurer - Present
- Jeff Wolfersberger, Trustee - Present

Administration present: Trevor DeVeaux, Angena Schwartz, April Yates and Stephanie Lemmer

Guests: Angela Biergeder, Colleen Webb and Ben Campbell.

#### 3. Pledge of Allegiance

#### 3. Public Comments

3.a Colleen Webb, 5149 Glennwood Drive, Battle Creek, MI 49017

3.b Benjamin Campbell, 767 McCallister Road, Battle Creek MI 49017

4. Action Items

4.a Termination of Employment

It was moved by **FORTON** and seconded **WOOD** to approve the termination of Colleen Webb, executive assistant to the superintendent. AYES: 5-0

5. Board Member Comments

6. Adjournment

President Wells-Jenny adjourned the meeting at 6:08 p.m.

Respectfully submitted,

Recorded and submitted by  
Stephanie Lemmer

Approved by the Board on  
Monday, September 19, 2022  
Signed by Board Secretary Jones

---

Stephanie Lemmer, Superintendent  
Recorded and Submitted

---

Sarah Jones, Board Secretary

Date: September 19, 2022



## **Pennfield Schools**

Monday, September 12, 2022 - 6:00 p.m.  
Special Board Meeting  
High School Media Center  
8299 Pennfield Road  
Battle Creek, MI 49017

### **MINUTES**

#### 1. Call Meeting to Order

The meeting was called to order at 6:00 p.m. by President Wells-Jenny.

#### 2. Pledge of Allegiance

#### 3. Roll Call

- Dana Wells-Jenny, President - Present
- Sarah Jones, Secretary - Present
- Brad Crandall, Trustee - Present
- Tim Wood, Trustee - Present
- Dawn Forton, Vice President - Present
- Bryan Smith, Treasurer - Present
- Jeff Wolfersberger, Trustee - Present

Administrations present: Stephanie Lemmer, Superintendent, Brett Steele, Athletic Director, and Andrew Loy, High School Principal

Others: Patricia Neff, Athletic Boosters Treasurer, and parent.

#### 4. Comments from the Public

Patti Neff, 7841, Baseline Road, Battle Creek, MI 490127 provided input into the decision 18, and spoke in support of leaving the conference.

#### 4. Items for Approval or Discussion

#### 4.1. Approval to Move to the Capital Area Athletic Conference (CAAC)

Board members held the following discussion:

- Wolfersberger talked to a couple of other varsity coaches and other schools. He noted that Lumin Christi is out for sure, others may be leaving. He also mentioned that Parma and Northwestern are looking into the possibility of creating a Jackson area league.
- Voiced concerned about competitiveness and moving to CAAC
- Dana Wells-Jenney asked questions about how they determine your competitiveness. Mr. Steele shared that they look at your previous 4 years.
- Brad Crandall asked what is the point of the three divisions. Mr. Steele explained that you play the schools in your division.
- Tim Wood pointed out that we are given no consideration of our size or competitiveness in the I8.
- Mr. Steele pointed out that the I-8 made our teams better as a result of competing against larger schools.
- Bryan Smith asked Mr. Steele about what participation we have of student athletes, participation rate of SOC students, 43.7% of students in the high school are school of choice. 2020-2021 245/733 33% participation rate 2021-2022 283/689 41% 160 22-23 fall sports 184 in 21-22 fall sports. Our numbers are similar to other schools that we compete against in the I8.
- Bryan Smith asked who the burden falls on given it does not have a Middle School division. Mr. Steele would be responsible for scheduling Middle School sports.
- Mr. Wolfersberger talked to four different coaches and they all said that we need a change in athletic culture. Deep down I think we need to be working on that. I don't think that switching leagues will fix our problem.
- Is there a chance that we get put into a different division that we would end up in the blue or red division? Mr. Steele thinks that based on our enrollment we would definitely be in the white division.

It was moved by **WOOD** and seconded by **FORTON** approve moving from the I8 Conference to the Capital Area Athletic Conference and formally apply to the CAAC with hopes of being accepted into the league as early as the fall of 2023. Ayes: 7-0

#### 5. Board Comments

Trustee Wolfersberger thanked those who came out tonight to share their input.  
President Wells-Jenney concurred.

#### 6. Adjournment

The meeting was adjourned at 7:00 p.m. by President Wells-Jenny.

Respectfully submitted,

Recorded and submitted by  
Stephanie Lemmer

Approved by the Board on  
Monday, September 19, 2022  
Signed by Board the Secretary

---

Stephanie Lemmer, Superintendent  
Date: September 19, 2022

---

Sarah Jones, Board Secretary



### August 2022 Check Register

District: PE-Pennfield Schools

Type of Checks: All

8/1/2022 to 8/31/2022

| CheckN                | CkDate     | Vendor | Name                           | PO #    | AFC | Account                  | Description                 | Amount    | CheckAmt  |
|-----------------------|------------|--------|--------------------------------|---------|-----|--------------------------|-----------------------------|-----------|-----------|
| <b>REGULAR CHECKS</b> |            |        |                                |         |     |                          |                             |           |           |
| 038308                | 08/01/2022 | 03682  | POSTMASTER                     |         | G   | 11-282-3610-000-000-0000 | DISTRICT NEWSLETTER         | 944.92    |           |
|                       |            |        |                                |         | G   | 11-282-3610-000-000-0000 | Permit renewal              | 275.00    | 1,219.92  |
| 038310                | 08/05/2022 | 13995  | AOS                            |         | G   | 11-111-4120-020-000-0000 | July                        | 31.13     |           |
|                       |            |        |                                |         | G   | 11-111-4120-030-000-0000 | July                        | 6.63      |           |
|                       |            |        |                                |         | G   | 11-112-4120-040-000-0000 | July                        | 26.58     |           |
|                       |            |        |                                |         | G   | 11-113-4120-050-000-0000 | July                        | 92.61     |           |
|                       |            |        |                                |         | G   | 11-113-4120-060-000-0000 | July                        | 3.43      |           |
|                       |            |        |                                |         | G   | 11-225-4120-000-000-0000 | July                        | 4.15      |           |
|                       |            |        |                                |         | G   | 11-231-4120-000-000-0000 | July                        | 1.87      |           |
|                       |            |        |                                |         | G   | 11-232-4120-000-000-0000 | July                        | 3.74      |           |
|                       |            |        |                                |         | G   | 11-252-4120-000-000-0000 | July                        | 224.38    |           |
|                       |            |        |                                |         | G   | 11-261-5910-000-000-0000 | July                        | 1.55      |           |
|                       |            |        |                                |         | G   | 11-271-4120-000-000-0000 | July                        | 13.08     | 409.15    |
| 038311                | 08/05/2022 | 14736  | BATTLE CREEK SHOPPER NEWS      |         | G   | 11-231-3510-000-000-0000 | School of Choice Ad         | 252.00    | 252.00    |
| 038313                | 08/05/2022 | 31754  | CLIMAX TELEPHONE CO            |         | G   | 11-261-3410-010-000-0000 | JULY                        | 24.91     |           |
|                       |            |        |                                |         | G   | 11-261-3410-010-000-0000 | AUGUST                      | 24.91     |           |
|                       |            |        |                                |         | G   | 11-261-3410-020-000-0000 | AUGUST                      | 56.61     |           |
|                       |            |        |                                |         | G   | 11-261-3410-020-000-0000 | JULY                        | 56.61     |           |
|                       |            |        |                                |         | G   | 11-261-3410-030-000-0000 | JULY                        | 27.17     |           |
|                       |            |        |                                |         | G   | 11-261-3410-030-000-0000 | AUGUST                      | 27.17     |           |
|                       |            |        |                                |         | G   | 11-261-3410-040-000-0000 | AUGUST                      | 52.08     |           |
|                       |            |        |                                |         | G   | 11-261-3410-040-000-0000 | JULY                        | 52.08     |           |
|                       |            |        |                                |         | G   | 11-261-3410-050-000-0000 | JULY                        | 58.88     |           |
|                       |            |        |                                |         | G   | 11-261-3410-050-000-0000 | AUGUST                      | 58.88     |           |
|                       |            |        |                                |         | G   | 11-271-3410-000-000-0000 | AUGUST                      | 6.80      |           |
|                       |            |        |                                |         | G   | 11-271-3410-000-000-0000 | JULY                        | 6.80      | 452.90    |
| 038314                | 08/05/2022 | 15170  | COMMUNICATIONS BY DESIGN, INC. |         | G   | 11-232-3120-000-000-0000 | Professional Services       | 11,838.00 | 11,838.00 |
| 038315                | 08/05/2022 | 32393  | FREIGHTLINER OF                | 09769 P | G   | 11-271-5730-000-000-0000 | FUEL FILTER,OIL             | 241.68    |           |
|                       |            |        |                                | 09769 P | G   | 11-271-5730-000-000-0000 | Fuel Filter                 | 133.32    | 375.00    |
| 038316                | 08/05/2022 | 14401  | HELIOS SOLAR INVESTMENTS LLC   |         | G   | 11-261-5520-020-000-0000 | AUG 1 SUMMER RATE           | 1,910.00  |           |
|                       |            |        |                                |         | G   | 11-261-5520-050-000-0000 | AUG 1 SUMMER RATE           | 2,321.00  | 4,231.00  |
| 038317                | 08/05/2022 | 13467  | LAKEVIEW FORD                  |         | G   | 11-271-5730-000-000-0000 | Tube asy                    | 98.54     | 98.54     |
| 038318                | 08/05/2022 | 33941  | LEARNING WITHOUT TEARS         | 09710 P | G   | 11-111-5110-030-000-0000 | COLOR NAME PLATES           | 64.40     | 64.40     |
| 038319                | 08/05/2022 | 12562  | MASSP                          |         | G   | 11-241-7410-050-000-0000 | ADM DUES - HS               | 499.00    | 499.00    |
| 038320                | 08/05/2022 | 13683  | NORTH STAR TEACHER RESOURCE    | 09709 C | G   | 11-111-5110-030-000-0000 | Desk plate, prim. trad      | 32.97     | 32.97     |
| 038321                | 08/05/2022 | 36468  | QUILL LLC                      | 09717 C | G   | 11-252-5910-000-000-0000 | 3 PBANKERS BOX BASIC        | 191.22    |           |
|                       |            |        |                                | 09724 C | G   | 11-252-5910-000-000-0000 | ORANGE & YELLOW LTR FOLDERS | 48.43     |           |

### August 2022 Check Register

District: PE-Pennfield Schools

Type of Checks: All

8/1/2022 to 8/31/2022

| CheckN | CkDate     | Vendor | Name                         | PO #    | AFC | Account                  | Description                    | Amount   | CheckAmt |
|--------|------------|--------|------------------------------|---------|-----|--------------------------|--------------------------------|----------|----------|
|        |            |        |                              | 09731 P | G   | 11-293-5980-060-000-0000 | Office Supplies                | 17.94    |          |
|        |            |        |                              | 09731 C | G   | 11-293-5980-060-000-0000 | Office Supplies                | 255.05   | 512.64   |
| 038322 | 08/05/2022 | 00475  | REALLY GOOD STUFF            | 09748 C | G   | 11-111-5110-010-000-0000 | Pocket chart + paw Print desto | 84.93    | 84.93    |
| 038323 | 08/05/2022 | 35509  | ROCHESTER 100 INC            | 09756 C | G   | 11-111-5110-010-000-0000 | Green Nicky folders            | 362.50   |          |
|        |            |        |                              | 09711 C | G   | 11-111-5110-030-000-0000 | GREEN NICKY FOLDERS            | 362.50   |          |
|        |            |        |                              | 09752 C | G   | 11-111-5210-020-000-0000 | GREEN NICKY FOLDERS            | 681.50   | 1,406.50 |
| 038324 | 08/05/2022 | 34576  | SCHOOL SPECIALTY LLC         | 09751 P | G   | 11-111-5110-010-000-0000 | B Vincent supplies             | 162.94   |          |
|        |            |        |                              | 09751 P | G   | 11-111-5110-010-000-0000 | C Einhardt supplies            | 151.37   |          |
|        |            |        |                              | 09742 P | G   | 11-111-5110-020-000-0000 | A Labrosse supplies            | 196.83   |          |
|        |            |        |                              | 09742 P | G   | 11-111-5110-020-000-0000 | L Wilkins supplies             | 64.97    |          |
|        |            |        |                              | 09757 P | G   | 11-111-5110-030-000-0000 | E Andrews supplies             | 105.41   |          |
|        |            |        |                              | 09757 P | G   | 11-111-5110-030-000-0000 | S Vitantonio supplies          | 112.60   |          |
|        |            |        |                              | 09757 P | G   | 11-111-5110-030-000-0000 | K Briggs supplies              | 213.12   |          |
|        |            |        |                              | 09757 P | G   | 11-111-5110-030-000-0000 | B Culp supplies                | 94.98    |          |
|        |            |        |                              | 09757 P | G   | 11-111-5110-030-000-0000 | C Einhardt supplies            | 110.39   |          |
|        |            |        |                              | 09725 C | G   | 11-252-5910-000-000-0000 | correction tape                | 14.67    | 1,227.28 |
| 038325 | 08/05/2022 | 15024  | LAWSON PRINTERS              |         | G   | 11-282-3610-000-000-0000 | DISTRICT NEWSLETTER            | 3,280.00 | 3,280.00 |
| 038326 | 08/05/2022 | 12733  | VAN EERDEN FOODSERVICE       |         | C   | 21-297-5610-000-000-0000 | FOOD                           | 55.00    |          |
|        |            |        |                              |         | C   | 21-297-5610-000-000-0000 | FOOD                           | 752.78   |          |
|        |            |        |                              |         | C   | 21-297-5611-000-000-0000 | FOOD BREAKFAST                 | 480.30   |          |
|        |            |        |                              |         | C   | 21-297-5620-000-000-0000 | USDA COMM DEL CHG              | 13.75    |          |
|        |            |        |                              |         | C   | 21-297-5640-000-000-0000 | NON FOOD ITEMS                 | 985.75   | 2,287.58 |
| 038327 | 08/08/2022 | 15160  | STILLMAN LAW OFFICE          |         | G   | 12-451-3500-000-000-0000 | LEAMY 20-10338GC               | 498.62   | 498.62   |
| 038328 | 08/09/2022 | 14988  | DEB FUNK                     | 09799 C | A   | 21-296-7920-050-000-9522 | Money for Cash Box             | 200.00   | 200.00   |
| 038329 | 08/12/2022 | 33342  | ALLEGRA BATTLE CREEK         |         | C   | 21-297-5640-000-000-0000 | Affirmation Cards              | 36.08    | 36.08    |
| 038330 | 08/12/2022 | 34898  | BRONSON HEALTHCARE GROUP     |         | G   | 11-271-3190-000-000-0000 | Ceairra Green                  | 85.00    | 85.00    |
| 038331 | 08/12/2022 | 08934  | CALHOUN COUNTY PUBLIC HEALTH |         | C   | 21-297-4910-000-000-0000 | Food Safety Classes x 11       | 1,661.00 | 1,661.00 |
| 038332 | 08/12/2022 | 10655  | CEREAL CITY AUTO PARTS       | 09767 P | G   | 11-261-4130-000-000-0000 | Air filter                     | 12.58    |          |
|        |            |        |                              | 09767 P | G   | 11-261-4130-000-000-0000 | Tailgate latch                 | 34.60    |          |
|        |            |        |                              | 09767 P | G   | 11-271-5730-000-000-0000 | Diesel Exhaust fluid           | 1,124.95 |          |
|        |            |        |                              | 09767 P | G   | 11-271-5730-000-000-0000 | Turbo red cleaner              | 225.00   |          |
|        |            |        |                              | 09767 P | G   | 11-271-5730-000-000-0000 | Fabric gray                    | 23.38    |          |
|        |            |        |                              | 09767 P | G   | 11-271-5730-000-000-0000 | Brake torx set                 | 66.63    | 1,487.14 |
| 038333 | 08/12/2022 | 16168  | GORDON FOOD SERVICE          |         | C   | 21-297-5610-000-000-0000 | Purdy Event                    | 859.86   |          |
|        |            |        |                              |         | C   | 21-297-5640-000-000-0000 | Purdy Event                    | 303.08   | 1,162.94 |
| 038334 | 08/12/2022 | 13358  | HI-TEC BUILDING SERVICES     |         | G   | 11-261-3191-010-000-0000 | July                           | 6,131.56 |          |
|        |            |        |                              |         | G   | 11-261-3191-020-000-0000 | July                           | 9,085.43 |          |
|        |            |        |                              |         | G   | 11-261-3191-030-000-0000 | July                           | 6,131.56 |          |

### August 2022 Check Register

District: PE-Pennfield Schools

Type of Checks: All

8/1/2022 to 8/31/2022

| CheckN | CkDate     | Vendor | Name                       | PO #    | AFC | Account                  | Description                    | Amount    | CheckAmt  |
|--------|------------|--------|----------------------------|---------|-----|--------------------------|--------------------------------|-----------|-----------|
|        |            |        |                            |         | G   | 11-261-3191-040-000-0000 | July                           | 12,895.27 |           |
|        |            |        |                            |         | G   | 11-261-3191-050-000-0000 | July                           | 21,555.53 |           |
|        |            |        |                            |         | G   | 11-261-3191-090-000-0000 | July                           | 145.46    | 55,944.81 |
| 038335 | 08/12/2022 | 33337  | HOLLAND BUS COMPANY        | 09785 P | G   | 11-271-5730-000-000-0000 | Warning lights, adapters       | 1,050.10  | 1,050.10  |
| 038336 | 08/12/2022 | 36022  | ISOLVED BENEFIT SERVICES   |         | G   | 12-192-0001-000-000-0000 | PREPAID INSURANCE              | 271.80    | 271.80    |
| 038337 | 08/12/2022 | 13467  | LAKEVIEW FORD              |         | G   | 11-271-5730-000-000-0000 | Roller, latch, striker         | 66.08     | 66.08     |
| 038338 | 08/12/2022 | 05848  | MASB                       |         | G   | 11-231-3191-000-000-0000 | bOARD bOOK tIER 2              | 3,000.00  | 3,000.00  |
| 038339 | 08/12/2022 | 11903  | NEOLA INC                  |         | G   | 11-231-3191-000-000-0000 | Digital Maint Fee 8/1/22-7/31/ | 750.00    | 750.00    |
| 038340 | 08/12/2022 | 06728  | PENNFIELD CHARTER TOWNSHIP |         | G   | 11-261-3830-020-000-0000 | 8465-06/21-07/18               | 1,088.35  |           |
|        |            |        |                            |         | G   | 11-261-3830-040-000-0000 | 8587-06/21-07/18               | 1,012.90  |           |
|        |            |        |                            |         | G   | 11-261-3830-050-000-0000 | 8299-06/21-07/18               | 1,420.06  |           |
|        |            |        |                            |         | G   | 11-261-3830-100-000-0000 | 8025-06/21-07/18               | 28.60     | 3,549.91  |
| 038341 | 08/12/2022 | 34705  | PRINTLINK INC              | 09763 C | G   | 11-225-5110-000-000-0000 | PUL receipts                   | 127.00    | 127.00    |
| 038342 | 08/12/2022 | 14582  | SWIFTREACH NETWORKS        | 09786 P | G   | 11-225-4121-000-000-0000 | 12 mo unlimited messaging      | 2,644.24  |           |
|        |            |        |                            | 09786 C | G   | 11-225-4121-000-000-0000 | 12 mo renewal PDF builder      | 528.85    | 3,173.09  |
| 038343 | 08/12/2022 | 05282  | THRUN LAW FIRM PC          |         | G   | 11-231-3170-000-000-0000 | LEGAL SERVICES                 | 322.00    |           |
|        |            |        |                            |         | G   | 11-231-3170-000-000-0000 | LEGAL SERVICES                 | 3,767.50  | 4,089.50  |
| 038349 | 08/12/2022 | 37408  | US BANK                    | 09750   | G   | 11-111-5110-010-000-0000 | vincent rm supplies            | 48.99     |           |
|        |            |        |                            |         | G   | 11-111-5110-020-000-0000 | nelson rm supplies             | 20.99     |           |
|        |            |        |                            |         | G   | 11-111-5110-020-000-0000 | Jordan rm supplies             | 39.98     |           |
|        |            |        |                            |         | G   | 11-111-5110-020-000-0000 | Jordan rm supplies             | 149.95    |           |
|        |            |        |                            | 09745   | G   | 11-111-5110-020-000-0000 | Frederick rm supplies          | 12.42     |           |
|        |            |        |                            | 09745   | G   | 11-111-5110-020-000-0000 | Frederick rm supplies          | 24.00     |           |
|        |            |        |                            | 09738   | G   | 11-111-5110-020-000-0000 | Phenix teach supplies          | 39.99     |           |
|        |            |        |                            | 09738   | G   | 11-111-5110-020-000-0000 | Phenix rm supplies             | 124.23    |           |
|        |            |        |                            | 09735   | G   | 11-111-5110-020-000-0000 | McCafferty teach supplies      | 85.97     |           |
|        |            |        |                            |         | G   | 11-111-5110-020-000-0000 | Collins rm supplies            | 89.97     |           |
|        |            |        |                            |         | G   | 11-111-5110-020-000-0000 | crandall rm supplies           | 113.17    |           |
|        |            |        |                            | 09739   | G   | 11-111-5110-020-000-0000 | DU TEACH SUPPLY                | 155.04    |           |
|        |            |        |                            | 09739   | G   | 11-111-5110-020-000-0000 | DU TEACH SUPPLY                | 34.10     |           |
|        |            |        |                            | 09739   | G   | 11-111-5110-020-000-0000 | DU TEACH SUPPLY                | 9.85      |           |
|        |            |        |                            | 09739   | G   | 11-111-5110-020-000-0000 | DU TEACH SUPPLY                | 6.08      |           |
|        |            |        |                            | 09747   | G   | 11-111-5110-030-000-0000 | (2) xylophones                 | 84.00     |           |
|        |            |        |                            | 09740   | G   | 11-111-5110-030-000-0000 | Whitmore supplies              | 129.95    |           |
|        |            |        |                            | 09714   | G   | 11-111-5990-030-000-0000 | NP MISC SUPPLIES               | 76.29     |           |
|        |            |        |                            | 09777   | G   | 11-125-5110-000-000-3668 | Whitmore summer sch supplies   | 54.98     |           |
|        |            |        |                            |         | G   | 11-125-5110-000-000-3668 | J Wilkins                      | 5.99      |           |
|        |            |        |                            |         | G   | 11-125-5110-000-000-3668 | J Wilkins                      | 142.95    |           |
|        |            |        |                            | 09723   | G   | 11-213-5990-000-000-0000 | CLINIC SUPPLIES                | 35.61     |           |

### August 2022 Check Register

District: PE-Pennfield Schools

Type of Checks: All

8/1/2022 to 8/31/2022

| CheckN | CkDate     | Vendor | Name                           | PO #    | AFC | Account                  | Description                    | Amount   | CheckAmt |
|--------|------------|--------|--------------------------------|---------|-----|--------------------------|--------------------------------|----------|----------|
|        |            |        |                                | 09723   | G   | 11-213-5990-000-000-0000 | CLINIC SUPPLIES                | 36.48    |          |
|        |            |        |                                | 09723   | G   | 11-213-5990-000-000-0000 | CLINIC SUPPLIES                | 58.50    |          |
|        |            |        |                                | 09723   | G   | 11-213-5990-000-000-0000 | CLINIC SUPPLIES                | 263.76   |          |
|        |            |        |                                | 09723   | G   | 11-213-5990-000-000-0000 | CLINIC SUPPLIES                | 15.93    |          |
|        |            |        |                                | 09723   | G   | 11-213-5990-000-000-0000 | CLINIC SUPPLIES                | 216.42   |          |
|        |            |        |                                | 09771   | G   | 11-225-6460-000-000-0000 | bluetooth barcode scanner      | 39.99    |          |
|        |            |        |                                |         | G   | 11-231-5990-000-000-0000 | Board Supplies                 | 32.94    |          |
|        |            |        |                                |         | G   | 11-231-5990-000-000-0000 | BOARD supplies                 | 73.67    |          |
|        |            |        |                                |         | G   | 11-232-3225-000-000-0000 | SL, back to sch legal workshop | 99.00    |          |
|        |            |        |                                |         | G   | 11-232-3225-000-000-0000 | S Lemmer WI conference         | 15.00    |          |
|        |            |        |                                |         | G   | 11-232-3225-000-000-0000 | S Lemmer WI conference         | 254.50   |          |
|        |            |        |                                |         | G   | 11-232-3430-000-000-0000 | POSTAGE                        | 1.34     |          |
|        |            |        |                                |         | G   | 11-232-5910-000-000-0000 | New HS principal               | 170.19   |          |
|        |            |        |                                |         | G   | 11-232-5910-000-000-0000 | Books "Get a Grip on Your Busi | 72.45    |          |
|        |            |        |                                |         | G   | 11-241-3430-010-000-0000 | PU POSTAGE                     | 7.44     |          |
|        |            |        |                                |         | G   | 11-241-3430-020-000-0000 | DU POSTAGE                     | 16.22    |          |
|        |            |        |                                |         | G   | 11-241-3430-030-000-0000 | NP POSTAGE                     | 7.44     |          |
|        |            |        |                                |         | G   | 11-241-3430-040-000-0000 | MS POSTAGE                     | 15.55    |          |
|        |            |        |                                |         | G   | 11-241-3430-050-000-0000 | POSTAGE                        | 17.58    |          |
|        |            |        |                                |         | G   | 11-241-3430-050-000-0000 | Marana-foreign exchange stu ma | 22.40    |          |
|        |            |        |                                |         | G   | 11-241-3430-050-000-0000 | ups hs                         | 5.24     |          |
|        |            |        |                                | 09728   | G   | 11-241-5910-020-000-0000 | Radcliffe off supplies         | 162.22   |          |
|        |            |        |                                | 09783   | G   | 11-249-5990-000-000-3000 | Parking Fee Expenses           | 330.98   |          |
|        |            |        |                                |         | G   | 11-249-5990-050-000-0000 | wedels garden return           | (341.20) |          |
|        |            |        |                                |         | G   | 11-249-5990-050-000-0000 | Flowers for Graduation         | 321.89   |          |
|        |            |        |                                |         | G   | 11-252-3225-000-000-0000 | Renewal Fees AS CFO            | 150.00   |          |
|        |            |        |                                |         | G   | 11-252-3225-000-000-0000 | A Biergeder, BOS SPS Cert rene | 180.00   |          |
|        |            |        |                                |         | G   | 11-252-3430-000-000-0000 | postage for PO 9701            | 4.96     |          |
|        |            |        |                                |         | G   | 11-252-3430-000-000-0000 | POSTAGE                        | 2.03     |          |
|        |            |        |                                | 09760 C | G   | 11-284-5910-000-000-0000 | Surveillance HD drive          | 215.00   |          |
|        |            |        |                                | 09770 C | G   | 11-284-5910-000-000-0000 | Network camera-dome            | 627.00   |          |
|        |            |        |                                |         | G   | 11-321-4910-000-000-0000 | B4/Aft Sch Contract Serv       | 200.00   | 4,779.42 |
| 038350 | 08/15/2022 | 13364  | CRAIG D GILL                   |         | G   | 11-261-4190-000-000-0000 | 3rd Qtr testing fees           | 1,425.00 | 1,425.00 |
| 038351 | 08/17/2022 | 15174  | ROXIE'S                        |         | G   | 11-221-3229-000-000-0000 | DISTR SCHOOL IMPROVE           | 2,500.00 | 2,500.00 |
| 038371 | 08/22/2022 | 34115  | AIRGAS US LLC                  |         | G   | 11-271-5730-000-000-0000 | LSECYL                         | 93.73    |          |
|        |            |        |                                |         | G   | 11-271-5730-000-000-0000 | AIRGAS HAZMAT CHG ML           | 16.07    | 109.80   |
| 038372 | 08/22/2022 | 34616  | BEST ONE TIRE AND SERVICE OF L | 09812   | G   | 11-271-5720-000-000-0000 | MULTIPLE ITEMS                 | 1,276.97 | 1,276.97 |
| 038373 | 08/22/2022 | 08934  | CALHOUN COUNTY PUBLIC HEALTH   |         | G   | 11-231-3191-000-000-0000 | HEARING/VISION 21-22           | 554.00   | 554.00   |
| 038374 | 08/22/2022 | 13238  | CALHOUN COUNTY SHERIFF'S OFF   |         | G   | 11-266-3190-050-000-0000 | JULY BILLING                   | 2,417.17 | 2,417.17 |

### August 2022 Check Register

District: PE-Pennfield Schools

Type of Checks: All

8/1/2022 to 8/31/2022

| CheckN | CkDate     | Vendor | Name                          | PO #    | AFC | Account                  | Description                    | Amount    | CheckAmt  |
|--------|------------|--------|-------------------------------|---------|-----|--------------------------|--------------------------------|-----------|-----------|
| 038375 | 08/22/2022 | 32947  | CDW GOVERNMENT                | 09704 C | G   | 11-284-5910-000-000-0000 | FORTINET FG-40F PORT           | 429.27    | 429.27    |
| 038376 | 08/22/2022 | 15159  | CUMMINS SALES AND SERVICE     | 09813 P | G   | 11-271-5730-000-000-0000 | REP PARTS LOCAL GARA           | 273.54    | 273.54    |
| 038377 | 08/22/2022 | 15043  | FIVE STAR PIZZA CO.           |         | C   | 21-297-5610-000-000-0000 | FOOD                           | 951.75    |           |
|        |            |        |                               |         | C   | 21-297-5610-000-000-0000 | FOOD                           | 978.75    |           |
|        |            |        |                               |         | C   | 21-297-5610-000-000-0000 | FOOD                           | 492.75    |           |
|        |            |        |                               |         | C   | 21-297-5610-000-000-0000 | FOOD                           | 438.75    | 2,862.00  |
| 038378 | 08/22/2022 | 16168  | GORDON FOOD SERVICE           |         | C   | 21-297-5610-000-000-0000 | FOOD                           | 162.21    |           |
|        |            |        |                               |         | C   | 21-297-5612-000-000-0000 | FOOD ALA CARTE                 | 338.88    |           |
|        |            |        |                               |         | C   | 21-297-5613-000-000-0000 | ICE DRM                        | (201.79)  |           |
|        |            |        |                               |         | C   | 21-297-5613-000-000-0000 | ICE CRM                        | (237.40)  |           |
|        |            |        |                               |         | C   | 21-297-5640-000-000-0000 | NON FOOD ITEMS                 | 214.84    |           |
|        |            |        |                               |         | C   | 21-297-5640-000-000-0000 | BOTTLE DEPOSIT                 | 38.40     | 315.14    |
| 038379 | 08/22/2022 | 33337  | HOLLAND BUS COMPANY           | 09785 P | G   | 11-271-5730-000-000-0000 | cylinder,air,oo,ent,door       | 525.60    |           |
|        |            |        |                               | 09785 P | G   | 11-271-5730-000-000-0000 | light,warning,amb,7",hgn x 3   | 283.26    | 808.86    |
| 038380 | 08/22/2022 | 15108  | HPS LLC                       | 09805 C | C   | 21-297-6450-000-000-0000 | NP OVEN, CASTERS & CONNECTOR P | 10,086.70 | 10,086.70 |
| 038381 | 08/22/2022 | 13709  | MANDARIN LIBRARY AUTOMATION I | 09831 C | G   | 11-222-5110-010-000-0000 | LIBRARY SPLY PU                | 650.00    |           |
|        |            |        |                               | 09831 C | G   | 11-222-5110-020-000-0000 | LIBRARY SPLY DU                | 650.00    |           |
|        |            |        |                               | 09831 C | G   | 11-222-5110-030-000-0000 | LIBRARY SPLY NP                | 650.00    |           |
|        |            |        |                               | 09831 C | G   | 11-222-5110-040-000-0000 | LIBRARY SPLY MS                | 650.00    |           |
|        |            |        |                               | 09831 C | G   | 11-222-5110-050-000-0000 | LIBRARY SPLY HS                | 650.00    | 3,250.00  |
| 038382 | 08/22/2022 | 13682  | PLANK ROAD PUBLISHING         | 09749 C | G   | 11-111-5110-010-000-0000 | DOWNLOADABLE SUBSCRIPTION      | 112.45    | 112.45    |
| 038383 | 08/22/2022 | 36468  | QUILL LLC                     | 09743 C | G   | 11-111-5110-010-000-0000 | 2, ELEC SHARPENER              | 54.08     | 54.08     |
| 038384 | 08/22/2022 | 34576  | SCHOOL SPECIALTY LLC          | 09751 P | G   | 11-111-5110-010-000-0000 | ZALESKI SUPPLIES               | 317.00    |           |
|        |            |        |                               | 09751 P | G   | 11-111-5110-010-000-0000 | FIELDSD SUPPLIES               | 319.57    |           |
|        |            |        |                               | 09751 P | G   | 11-111-5110-010-000-0000 | MERCER SUPPLIES                | 107.79    |           |
|        |            |        |                               | 09751 P | G   | 11-111-5110-010-000-0000 | BAXTER SUPPLIES                | 58.10     | 802.46    |
| 038385 | 08/22/2022 | 36764  | SPARTAN STORES LLC            |         | C   | 21-297-5613-000-000-0000 | CATERING                       | 18.36     | 18.36     |
| 038387 | 08/22/2022 | 14889  | STAPLES CONTRACT & COMMERCIA  | 09706 P | G   | 11-111-5119-010-000-0000 | PU COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-111-5119-010-000-0000 | PU COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-111-5119-010-000-0000 | PU COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-111-5119-020-000-0000 | DU COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-111-5119-020-000-0000 | DU COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-111-5119-020-000-0000 | DU COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-111-5119-020-000-0000 | DU COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-111-5119-030-000-0000 | NP COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-111-5119-030-000-0000 | NP COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-111-5119-030-000-0000 | NP COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-112-5119-040-000-0000 | MS COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-112-5119-040-000-0000 | MS COPY SUPPLIES               | 265.04    |           |
|        |            |        |                               | 09706 P | G   | 11-112-5119-040-000-0000 | MS COPY SUPPLIES               | 265.04    |           |

### August 2022 Check Register

District: PE-Pennfield Schools

Type of Checks: All

8/1/2022 to 8/31/2022

| CheckN | CkDate     | Vendor | Name                      | PO #    | AFC | Account                  | Description                    | Amount    | CheckAmt  |
|--------|------------|--------|---------------------------|---------|-----|--------------------------|--------------------------------|-----------|-----------|
|        |            |        |                           | 09706 P | G   | 11-113-5119-050-000-0000 | HS COPY SUPPLIES               | 265.04    |           |
|        |            |        |                           | 09706 P | G   | 11-113-5119-050-000-0000 | HS COPY SUPPLIES               | 265.04    |           |
|        |            |        |                           | 09706 P | G   | 11-113-5119-050-000-0000 | HS COPY SUPPLIES               | 265.04    | 3,975.60  |
| 038388 | 08/22/2022 | 36742  | TIME USA LLC              | 09754 C | G   | 11-111-5210-020-000-0000 | karen canfield gr 3-4          | 148.50    | 148.50    |
| 038389 | 08/22/2022 | 12733  | VAN EERDEN FOODSERVICE    |         | C   | 21-297-5610-000-000-0000 | FOOD                           | 544.94    |           |
|        |            |        |                           |         | C   | 21-297-5620-000-000-0000 | USDA COMM DEL CHG              | 49.50     | 594.44    |
| 038390 | 08/22/2022 | 11650  | CITY OF BATTLE CREEK      |         | G   | 12-451-3100-000-000-0000 | AUGUST                         | 1,730.79  | 1,730.79  |
| 038391 | 08/22/2022 | 14261  | CITY OF SPRINGFIELD       |         | G   | 12-451-3200-000-000-0000 | AUGUST                         | 44.16     | 44.16     |
| 038392 | 08/26/2022 | 12966  | BC GLASS WORKS INC        | 09825 C | G   | 11-261-4190-000-000-0000 | Dunlap replacement + labor     | 440.80    | 440.80    |
| 038393 | 08/26/2022 | 34097  | CALHOUN ISD               |         | G   | 11-111-5110-020-000-0000 | United Streaming               | 1,500.00  |           |
|        |            |        |                           |         | G   | 11-111-5111-010-000-0000 | United Streaming               | 950.00    |           |
|        |            |        |                           |         | G   | 11-111-5111-030-000-0000 | United Streaming               | 950.00    |           |
|        |            |        |                           |         | G   | 11-112-5110-000-000-0000 | United Streaming               | 950.00    |           |
|        |            |        |                           |         | G   | 11-113-5110-000-000-0000 | United Streaming               | 1,500.00  | 5,850.00  |
| 038394 | 08/26/2022 | 08875  | CERTASITE LLC             | 09827 C | G   | 11-261-4190-000-000-0000 | Inspection + items needed      | 697.61    |           |
|        |            |        |                           | 09826 P | G   | 11-261-4190-000-000-0000 | Inspections + items needed NP  | 810.74    |           |
|        |            |        |                           | 09826 P | G   | 11-261-4190-000-000-0000 | Inspections + items needed DL  | 923.01    |           |
|        |            |        |                           | 09826 P | G   | 11-261-4190-000-000-0000 | Inspections + items needed PU  | 908.63    |           |
|        |            |        |                           | 09826 C | G   | 11-261-4190-000-000-0000 | Inspections + items needed MS  | 1,632.58  | 4,972.57  |
| 038395 | 08/26/2022 | 32923  | CURRICULUM ASSOCIATES LLC | 09753 C | G   | 11-111-5210-020-000-0000 | DU TEXTBKS/WKBKS               | 141.85    | 141.85    |
| 038396 | 08/26/2022 | 11373  | ETNA SUPPLY CO            | 09820 P | G   | 11-261-4110-000-000-0000 | Bldg & Eq Repr Pur             | 116.31    | 116.31    |
| 038397 | 08/26/2022 | 11388  | FOSTER SPECIALTY FLOORS   | 09819 C | G   | 11-261-4190-000-000-0000 | DDL, HS, MS floor maint        | 12,509.00 | 12,509.00 |
| 038398 | 08/26/2022 | 01135  | HARPER CREEK SCHOOLS      | 09823 C | G   | 11-293-7410-060-000-0000 | 2022-23 I-8 League Dues        | 3,250.00  | 3,250.00  |
| 038400 | 08/26/2022 | 03261  | MIX HARDWARE              |         | G   | 11-261-4110-000-000-0000 | Solder & Brust                 | 36.99     |           |
|        |            |        |                           |         | G   | 11-261-4110-000-000-0000 | Bolts                          | 3.00      |           |
|        |            |        |                           |         | G   | 11-261-4110-000-000-0000 | keys                           | 10.00     |           |
|        |            |        |                           |         | G   | 11-261-4110-000-000-0000 | nuts & bolts                   | 2.00      |           |
|        |            |        |                           |         | G   | 11-261-4110-000-000-0000 | elect covers, keys             | 65.13     |           |
|        |            |        |                           |         | G   | 11-261-4110-000-000-0000 | 5 switch lovers                | 1.95      |           |
|        |            |        |                           |         | G   | 11-261-4110-000-000-0000 | pvc coup                       | 47.50     |           |
|        |            |        |                           |         | G   | 11-261-4110-000-000-0000 | switch plates                  | 1.77      |           |
|        |            |        |                           |         | G   | 11-261-5981-000-000-0000 | Spectracide, machete           | 77.97     |           |
|        |            |        |                           |         | G   | 11-261-5981-000-000-0000 | weed wipper wire, strippers    | 66.96     |           |
|        |            |        |                           |         | G   | 11-261-5981-000-000-0000 | weed killer                    | 39.98     |           |
|        |            |        |                           |         | G   | 11-261-5981-000-000-0000 | blades sharpened,plastic nippl | 95.94     |           |
|        |            |        |                           |         | G   | 11-271-5790-000-000-0000 | paint stripper                 | 15.99     |           |
|        |            |        |                           |         | G   | 11-271-5980-000-000-0000 | SMALL TOOLS                    | 72.43     |           |
|        |            |        |                           |         | G   | 11-271-5980-000-000-0000 | Bolts, sockets                 | 19.83     |           |
|        |            |        |                           |         | G   | 11-271-7910-000-000-0000 | tape                           | 8.69      | 566.13    |

### August 2022 Check Register

District: PE-Pennfield Schools

Type of Checks: All

8/1/2022 to 8/31/2022

| CheckN  | CkDate     | Vendor                   | Name                        | PO #    | AFC      | Account                  | Description                | Amount   | CheckAmt |
|---------|------------|--------------------------|-----------------------------|---------|----------|--------------------------|----------------------------|----------|----------|
| 038401  | 08/26/2022 | 03660                    | PIONEER MANUFACTURING COMPA | 09808 C | G        | 11-261-5981-000-000-0000 | Fastlane pavement paint    | 405.84   |          |
|         |            |                          |                             | 09808 C | G        | 11-261-5981-060-000-0000 | Brite stripe white         | 4,275.00 | 4,680.84 |
| 038402  | 08/26/2022 | 34701                    | SAM'S CLUB DIRECT           | 09712 C | G        | 11-241-5990-030-000-0000 | North cleanup supplies     | 143.15   |          |
|         |            |                          |                             |         | G        | 11-252-5910-000-000-0000 | OFFICE SUPPLIES            | 100.50   | 243.65   |
| 038405  | 08/26/2022 | 34576                    | SCHOOL SPECIALTY LLC        | 09751 P | G        | 11-111-5110-010-000-0000 | E Mosher room supplies     | 401.96   |          |
|         |            |                          |                             | 09751 P | G        | 11-111-5110-010-000-0000 | A Frost room supplies      | 99.84    |          |
|         |            |                          |                             | 09751 P | G        | 11-111-5110-010-000-0000 | B Formsma room supplies    | 141.24   |          |
|         |            |                          |                             | 09751 P | G        | 11-111-5110-010-000-0000 | B Bailey room supplies     | 153.64   |          |
|         |            |                          |                             | 09742 P | G        | 11-111-5110-020-000-0000 | R Moran room supplies      | 70.25    |          |
|         |            |                          |                             | 09742 P | G        | 11-111-5110-020-000-0000 | K Canfield room supplies   | 94.41    |          |
|         |            |                          |                             | 09742 P | G        | 11-111-5110-020-000-0000 | R Laupp room supplies      | 102.45   |          |
|         |            |                          |                             | 09742 P | G        | 11-111-5110-020-000-0000 | ,P Nelson room supplies    | 80.12    |          |
|         |            |                          |                             | 09742 P | G        | 11-111-5110-020-000-0000 | A Frederick room supplies  | 65.81    |          |
|         |            |                          |                             | 09742 P | G        | 11-111-5110-020-000-0000 | H Kelly room supplies      | 93.54    |          |
|         |            |                          |                             | 09742 P | G        | 11-111-5110-020-000-0000 | K McCafferty room supplies | 26.60    |          |
|         |            |                          |                             | 09742 P | G        | 11-111-5110-020-000-0000 | Office Supplies            | 976.33   |          |
|         |            |                          |                             | 09757 P | G        | 11-111-5110-030-000-0000 | L Mercer room supplies     | 97.09    |          |
|         |            |                          |                             | 09757 P | G        | 11-111-5110-030-000-0000 | R Parmalee room supplies   | 268.00   |          |
|         |            |                          |                             | 09757 P | G        | 11-111-5110-030-000-0000 | C Clothier room supplies   | 153.30   |          |
|         |            |                          |                             | 09792 P | G        | 11-113-5110-050-000-0000 | M McCafferty room supplies | 165.35   |          |
|         |            |                          |                             | 09792 P | G        | 11-113-5110-050-000-0000 | T Grennes room supplies    | 60.23    |          |
|         |            |                          |                             | 09792 P | G        | 11-113-5110-050-000-0000 | T Flesisher room supplies  | 45.33    |          |
|         |            |                          |                             | 09792 P | G        | 11-113-5110-050-000-0000 | A Delano room supplies     | 116.60   |          |
|         |            |                          |                             | 09792 P | G        | 11-113-5110-050-000-0000 | R Lessnau rm supplies      | 92.33    |          |
| 09730 C | G          | 11-293-5980-060-000-0000 | Troutman office supplies    | 11.07   | 3,315.49 |                          |                            |          |          |
| 038406  | 08/26/2022 | 11885                    | STEENSMA LAWN & POWER EQUIP | 09818 C | G        | 11-261-4110-000-000-0000 | Mower Repair               | 160.00   | 160.00   |
| 038407  | 08/26/2022 | 12006                    | VERIZON WIRELESS            |         | G        | 11-261-3410-000-000-0000 | JUL 11 - AUG 10            | 43.89    |          |
|         |            |                          |                             |         | G        | 11-261-3410-010-000-0000 | JUL 11 - AUG 10            | 58.80    |          |
|         |            |                          |                             |         | G        | 11-261-3410-020-000-0000 | JUL 11 - AUG 10            | 58.80    |          |
|         |            |                          |                             |         | G        | 11-261-3410-030-000-0000 | JUL 11 - AUG 10            | 58.80    |          |
|         |            |                          |                             |         | G        | 11-261-3410-040-000-0000 | JUL 11 - AUG 10            | 170.34   |          |
|         |            |                          |                             |         | G        | 11-261-3410-050-000-0000 | JUL 11 - AUG 10            | 58.80    |          |
|         |            |                          |                             |         | G        | 11-261-3410-060-000-0000 | JUL 11 - AUG 10            | 58.80    |          |
|         |            |                          |                             |         | G        | 11-261-5991-000-000-0000 | JUL 11 - AUG 10            | 58.80    |          |
|         |            |                          |                             |         | G        | 11-271-3410-000-000-0000 | JUL 11 - AUG 10            | 76.79    |          |
|         |            |                          |                             |         | G        | 11-271-3410-000-000-0000 | credit                     | (10.50)  | 633.32   |
| 038408  | 08/26/2022 | 31479                    | WINDSTREAM                  |         | G        | 11-261-3410-010-000-0000 | PHONES - PURDY             | 7.97     |          |
|         |            |                          |                             |         | G        | 11-261-3410-020-000-0000 | PHONES - DUNLAP            | 18.12    |          |
|         |            |                          |                             |         | G        | 11-261-3410-030-000-0000 | PHONES - NORTH PENN        | 8.70     |          |

**August 2022 Check Register**

District: PE-Pennfield Schools

Type of Checks: All

8/1/2022 to 8/31/2022

| CheckN | CkDate | Vendor | Name | PO # | AFC | Account                  | Description            | Amount              | CheckAmt |
|--------|--------|--------|------|------|-----|--------------------------|------------------------|---------------------|----------|
|        |        |        |      |      | G   | 11-261-3410-040-000-0000 | PHONES - MS            | 16.67               |          |
|        |        |        |      |      | G   | 11-261-3410-050-000-0000 | PHONES - HS            | 18.84               |          |
|        |        |        |      |      | G   | 11-271-3410-000-000-0000 | TELEPHONES             | 2.17                | 72.47    |
|        |        |        |      |      |     |                          | <b>Sub Total:</b>      | <b>\$180,946.02</b> |          |
|        |        |        |      |      |     |                          | <b>Register Total:</b> | <b>\$180,946.02</b> |          |

## Electronic Funds Transfers August 2022

### Federal and Fica Taxes Paid to the Federal Government (IRS)

| <u>Date</u> | <u>Amount</u> |
|-------------|---------------|
| 8/5/2022    | 80,523.43     |
| 8/22/2022   | 97,711.69     |

**Total:** 178,235.12

### Other Electronic Transfers:

| <u>Date</u> | <u>Amount</u> | <u>Description</u>        |
|-------------|---------------|---------------------------|
| 8/1/2022    | 473.17        | Lincoln Financial         |
| 8/1/2022    | 796.03        | Unum                      |
| 8/1/2022    | 147,271.26    | MESSA                     |
| 8/1/2022    | 11,161.09     | Consumers Energy          |
| 8/2/2022    | 5,076.92      | EduStaff                  |
| 8/5/2022    | 5,077.00      | EduStaff                  |
| 8/5/2022    | 243,363.32    | Payroll                   |
| 8/5/2022    | 8,922.53      | OMNI                      |
| 8/9/2022    | 345.88        | Aflac                     |
| 8/9/2022    | 762.00        | Health Equity MESSA H.S.A |
| 8/9/2022    | 504.25        | Friend of the Court       |
| 8/10/2022   | 1,500.00      | Postage                   |
| 8/10/2022   | 1,312.54      | SEMCO                     |
| 8/10/2022   | 4,182.11      | Consumers Energy          |
| 8/19/2022   | 28,839.03     | State of Michigan         |
| 8/22/2022   | 290,572.27    | Payroll                   |
| 8/22/2022   | 8,591.16      | OMNI                      |
| 8/23/2022   | 552.00        | Friend of the Court       |
| 8/23/2022   | 762.00        | Health Equity MESSA H.S.A |
| 8/29/2022   | 177,459.22    | ORS                       |
| 8/29/2022   | 157,458.13    | ORS                       |
| 8/31/2022   | 4,055.91      | Consumers Energy          |

**Total:** **1,099,037.82**

## Year to Date Expenditures 8/31/2022

| GENERAL FUND                              | 2021-2022<br>Actual | 2022-2023<br>PRELIMINARY<br>BUDGET | 2022-2023 YTD<br>Actual | YTD - 17%<br>10 month - 5% |
|---|---------------------|------------------------------------|-------------------------|----------------------------|
| <b>EXPENDITURES:</b>                      |                     |                                    |                         |                            |
| <b>INSTRUCTION:</b>                       |                     |                                    |                         |                            |
| 110 BASIC PROGRAMS                        | 766,068             | 11,958,618                         | 402,981                 | 3%                         |
| 120 ADDED NEEDS                           | 118,844             | 2,882,468                          | 99,979                  | 3%                         |
| 130 ADULT & CONTINUING EDUCATION          |                     |                                    |                         |                            |
| <b>SUPPORT SERVICES:</b>                  |                     |                                    |                         |                            |
| 210 PUPIL                                 | 56,216              | 1,299,882                          | 43,001                  | 3%                         |
| 220 INSTRUCTIONAL SUPPORT                 | 120,648             | 929,264                            | 141,435                 | 15%                        |
| 230 GENERAL ADMINISTRATION                | 74,264              | 499,444                            | 79,030                  | 16%                        |
| 240 SCHOOL ADMINISTRATION                 | 110,876             | 1,414,605                          | 57,376                  | 4%                         |
| 250 BUSINESS SUPPORT                      | 79,110              | 506,948                            | 75,642                  | 15%                        |
| 260 OPERATION AND MAINTENANCE/SECURITY    | 351,514             | 2,068,905                          | 269,019                 | 13%                        |
| 270 TRANSPORTATION                        | 47,910              | 1,008,666                          | 132,810                 | 13%                        |
| 280 CENTRAL SERVICES                      | 50,041              | 564,649                            | 64,903                  | 11%                        |
| 290 ATHLETICS                             | 83,354              | 752,846                            | 28,724                  | 4%                         |
| 300 COMMUNITY SERVICES                    | -                   | 200                                | 200                     | 100%                       |
| 400 CAPITAL OUTLAY                        | -                   | 1,168,466                          | -                       | 0%                         |
| OUTGOING TRANSFERS AND OTHER TRANSACTIONS | -                   | 15.00                              | -                       | 0%                         |
| <b>TOTAL EXPENDITURES:</b>                | 1,858,845           | 25,054,976                         | 1,395,101               | 6%                         |

**Invoice**

**KINGSCOTT ASSOCIATES, INC.**  
**259 E MICHIGAN AVENUE SUITE 308**  
**KALAMAZOO MI 49007-6403**  
**(269) 381-4880**

September 09, 2022

Project No: 03033.050  
Invoice No: 0016193

Pennfield Schools  
8587 Pennfield Road  
Battle Creek, MI 49017

Project 03033.050 Pennfield Dunlap Elem Remodel

**Professional Services from August 1, 2022 to August 31, 2022**

**Fee**

|                  |            |                      |                           |                    |
|------------------|------------|----------------------|---------------------------|--------------------|
| Total Fee        | 419,762.85 |                      |                           |                    |
| Percent Complete | 46.4803    | Total Earned         | 195,106.88                |                    |
|                  |            | Previous Fee Billing | 146,917.00                |                    |
|                  |            | Current Fee Billing  | 48,189.88                 |                    |
|                  |            | <b>Total Fee</b>     |                           | <b>48,189.88</b>   |
|                  |            |                      | <b>Total this Invoice</b> | <b>\$48,189.88</b> |

**Billings to date**

|              | <b>Current</b>   | <b>Prior</b>      | <b>Total</b>      |
|--------------|------------------|-------------------|-------------------|
| Fee          | 48,189.88        | 74,938.74         | 123,128.62        |
| Fee          | 0.00             | 71,978.26         | 71,978.26         |
| <b>Total</b> | <b>48,189.88</b> | <b>146,917.00</b> | <b>195,106.88</b> |



**Invoice**

**KINGSCOTT ASSOCIATES, INC.**  
**259 E MICHIGAN AVENUE SUITE 308**  
**KALAMAZOO MI 49007-6403**  
**(269) 381-4880**

September 09, 2022

Project No: 03033.060

Invoice No: 0016194

Pennfield Schools  
8587 Pennfield Road  
Battle Creek, MI 49017

Project 03033.060 Pennfield MS Remodeling

**Professional Services from August 1, 2022 to August 31, 2022**

|                  |            |                           |                    |
|------------------|------------|---------------------------|--------------------|
| <b>Fee</b>       |            |                           |                    |
| Total Fee        | 153,000.02 |                           |                    |
| Percent Complete | 50.00      | Total Earned              | 76,500.01          |
|                  |            | Previous Fee Billing      | 53,550.01          |
|                  |            | Current Fee Billing       | 22,950.00          |
|                  |            | <b>Total Fee</b>          | <b>22,950.00</b>   |
|                  |            | <b>Total this Invoice</b> | <b>\$22,950.00</b> |

**Billings to date**

|              | <b>Current</b>   | <b>Prior</b>     | <b>Total</b>     |
|--------------|------------------|------------------|------------------|
| Fee          | 22,950.00        | 46,172.33        | 69,122.33        |
| Fee          | 0.00             | 7,377.68         | 7,377.68         |
| <b>Total</b> | <b>22,950.00</b> | <b>53,550.01</b> | <b>76,500.01</b> |

---

**Invoice**

**KINGSCOTT ASSOCIATES, INC.**  
**259 E MICHIGAN AVENUE SUITE 308**  
**KALAMAZOO MI 49007-6403**  
**(269) 381-4880**

September 09, 2022  
Project No: 03033.080  
Invoice No: 0016195

Pennfield Schools  
8587 Pennfield Road  
Battle Creek, MI 49017

Project 03033.080 Pennfield Stadium Remodeling  
**Professional Services from August 1, 2022 to August 31, 2022**

|                  |            |                           |                    |
|------------------|------------|---------------------------|--------------------|
| <b>Fee</b>       |            |                           |                    |
| Total Fee        | 185,270.13 |                           |                    |
| Percent Complete | 60.00      | Total Earned              | 111,162.08         |
|                  |            | Previous Fee Billing      | 92,635.07          |
|                  |            | Current Fee Billing       | 18,527.01          |
|                  |            | <b>Total Fee</b>          | <b>18,527.01</b>   |
|                  |            | <b>Total this Invoice</b> | <b>\$18,527.01</b> |

**Billings to date**

|              | <b>Current</b>   | <b>Prior</b>     | <b>Total</b>      |
|--------------|------------------|------------------|-------------------|
| Fee          | 18,527.01        | 66,827.73        | 85,354.74         |
| Fee          | 0.00             | 25,807.34        | 25,807.34         |
| <b>Total</b> | <b>18,527.01</b> | <b>92,635.07</b> | <b>111,162.08</b> |

