

# Union City Community Schools

## *“Educating and Preparing Each Child for Their Future”*

Union City, Michigan 49094 / Superintendent’s Office (517) 741-3300 – Fax (517) 741-5205

### Board of Education Agenda

Monthly Board Meeting	High School Media Center
Monday, November 18, 2024	6:30 PM

**I. Call To Order**

**a. Pledge of Allegiance**

**b. Opening Statement**

Welcome to the Union City Community Schools Board meeting. Our meeting agenda is available for you to follow. The expectation for our board meeting is to follow this agenda closely. We operate under the Open Meetings Act and utilize Roberts Rule of Order to govern our discussion and decision-making process. There is an opportunity for public comment during our set agenda. We welcome the public to express their opinions during this time of our agenda. If there are questions about the agenda or the board meeting process, please seek out one of the Board members for clarification.

**II. Addition or Deletion of Items to the Agenda**

**III. Consent Agenda**

**a. Approval of Minutes**

1. Regular 10/21/24
2. Closed 10/21/24

**b. Over 50-Mile Field Trips**

1. Baseball Trip - Spring Break 2025
2. MSU Planetarium - 5th Grade Trip, Spring, 2025
3. Detroit Institute of Art and Mexicantown - High School Spanish II Classes
4. Little Caesar's Arena, High School Fan Bus 12-19-24

**IV. Correspondence**

**V. Comments From the Audience on Agenda Items**

**a. Public Comments Statement**

This is the section of the meeting in which the public may make comments or share their opinions about items on the agenda. We ask you to limit your comments to no longer than 5 minutes per person to allow others the opportunity to speak. This is an opportunity for the Board to listen to your concerns. It is not Board practice to act on the concerns voiced during this meeting to allow for the Board to do further research.

**VI. Audit Presentation**

Sara Leson, Business Manager, will present the final audit information for 2023-2024.

**VII. Action Items**

**a. Financials**

Board action is required to approve the financials for the month ending October 31, 2024.

**b. Retirement**

Board action is required to accept the retirement of Jolene Boody, middle school secretary, effective November 8, 2024. Jolene has been with the district for over 37 years.

**c. Middle School Paraprofessional Hire**

Board action is required to approve the hiring of Karen Bodine as a middle school paraprofessional.

**d. Bus Driver Hire**

Board action is required to approve the hiring of Alicia Linnabary-Moore as a bus driver.

**e. Elementary Paraprofessional Hire**

Board action is required to approve the hiring of Jordyn Crance as an elementary paraprofessional.

**f. Middle School Building Secretary Hire**

Board action is required to approve the hiring of Shannon Kever as the middle school building secretary.

**g. C2AE Pre-Bond Services Letter of Intent**

Board action is required to approve the Pre-Bond Services Letter of Intent with C2AE.

**VIII. Discussion Items**

**a. Section 12C and 12D Grants**

**IX. Information Items**

**a. CASB Awards Nomination Information**

**X. Public Comment**

**a. Public Comments Statement**

This is the section of the meeting in which the public may make comments or share their opinions about Union City Community Schools. We ask you to limit your comments to no longer than 5 minutes per person to allow others the opportunity to speak. This is an opportunity for the Board to listen to your concerns. It is not Board practice to act on the concerns voiced during this meeting to allow for the Board to do further research.

**XI. Board Roundtable**

**XII. Adjournment**

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 agenda items five (V) and ten (X).

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the meeting or hearing, please contact, Kelly AcMoody at 517-741-8091 at least one week prior to the meeting or as soon as possible.

Monthly Board Meeting  
Monday, October 21, 2024 6:30 PM Eastern

High School Media Center  
430 St. Joseph Street  
Union City, MI 49094

### Call To Order

President Amber Herman called the meeting to order at 6:30 p.m.

Jennifer Gautsche:	Present
Amber Herman:	Present
Darin LaBar:	Present
Jeremy Steele:	Present
Archie Mears:	Absent
Paul Arlt:	Present
Andrew Yockey	Present

### Pledge of Allegiance

### Opening Statement

**Addition or Deletion of Items to the Agenda - None**

### Consent Agenda

The Board of Education approves the Consent Agenda as presented. This motion, made by Darin LaBar and seconded by Jennifer Gautsche, Carried.

Jennifer Gautsche: Yea, Amber Herman: Yea, Darin LaBar: Yea, Paul Arlt: Yea, Jeremy Steele: Yea, Andrew Yockey: Yea

Yea: 6 Nay: 0

### Approval of Minutes

Regular 9/16/24

### Over 50-Mile Field Trips

Middle School Youth In Government

Middle School Volleyball

Third Grade Field Trips

**Correspondence - None**

**Comments From the Audience on Agenda Items - None**

### Public Comments Statement

[Empty box for Public Comments Statement]

## Action Items

### Financials

The Board of Education approves the financials for the month ending September 30, 2024. This motion, made by Darin LaBar and seconded by Jeremy Steele, Carried.

Jennifer Gautsche: Yea, Amber Herman: Yea, Darin LaBar: Yea, Paul Arlt: Yea, Jeremy Steele: Yea, Andrew Yockey: Yea

Yea: 6 Nay: 0

### Elementary Paraprofessional Hiring

The Board of Education approves the hiring of Tina Scheidler as a paraprofessional at the elementary. This motion, made by Darin LaBar and seconded by Jennifer Gautsche, Carried.

Jennifer Gautsche: Yea, Amber Herman: Yea, Darin LaBar: Yea, Paul Arlt: Yea, Jeremy Steele: Yea, Andrew Yockey: Yea

Yea: 6 Nay: 0

### Coaching Recommendations

The Board of Education approves the coaching recommendations as presented. This motion, made by Jennifer Gautsche and seconded by Darin LaBar, Carried.

Jennifer Gautsche: Yea, Amber Herman: Yea, Darin LaBar: Yea, Paul Arlt: Yea, Jeremy Steele: Yea, Andrew Yockey: Yea

Yea: 6 Nay: 0

### Neola Title IX Policy Updates

The Board of Education approves the Neola Title IX Updates as presented This motion, made by Darin LaBar and seconded by Jeremy Steele, Carried.

Jennifer Gautsche: Yea, Amber Herman: Yea, Darin LaBar: Yea, Paul Arlt: Yea, Jeremy Steele: Yea, Andrew Yockey: Yea

Yea: 6 Nay: 0

## Discussion Items

### Clean Bus Rebate Program

Chris will be bringing more information to the board at the December meeting.

### Information Items

#### Annual School Audit Update

Willis & Jurasek provided an update to the 2023-24 audit in the form of a memo. The formal audit will be presented in November.

## Public Comment - None

### Public Comments Statement

## **Additional Action Items**

### **Closed Session**

The Board of Education adjourns to closed session for the purpose of discussing student discipline per Section 8(b) of the Open Meetings Act. This motion, made by Darin LaBar and seconded by Jennifer Gautsche, Carried. President Amber Herman adjourned to closed session at 6:56 p.m.

Jennifer Gautsche: Yea, Amber Herman: Yea, Darin LaBar: Yea, Paul Arlt: Yea, Jeremy Steele: Yea, Andrew Yockey: Yea  
Yea: 6 Nay: 0

The Board of Education comes back into open session. This motion, made by Darin LaBar and seconded by Paul Arlt, Carried.

Jennifer Gautsche: Yea, Amber Herman: Yea, Darin LaBar: Yea, Paul Arlt: Yea, Jeremy Steele: Yea, Andrew Yockey: Yea  
Yea: 6 Nay: 0

President Amber Herman called the meeting back to order at 7:50 p.m.

### **Long Term Suspension of High School Student**

The Board of Education approves the long-term suspension of a high school student for the remainder of the semester. This motion, made by Darin LaBar, seconded by Jeremy Steel, Carried.

Jennifer Gautsche: Yea, Amber Herman: Yea, Darin LaBar: Yea, Paul Arlt: Yea, Jeremy Steele: Yea, Andrew Yockey: Yea  
Yea: 6 Nay: 0

### **Board Roundtable - None**

### **Adjournment**

The Board of Education adjourns the meeting. This motion, made by Darin LaBar, seconded by Jennifer Gautsche, Carried.

Jennifer Gautsche: Yea, Amber Herman: Yea, Darin LaBar: Yea, Paul Arlt: Yea, Jeremy Steele: Yea, Andrew Yockey: Yea  
Yea: 6 Nay: 0

Jennifer Gautsche  
Secretary

Kelly AcMoody  
Recording Secretary

Coach John Bain  
517-741-3329  
Cell: 517-227-1366  
[jbain@unioncityschools.org](mailto:jbain@unioncityschools.org)  
Facebook: Union City HS Baseball  
Website: <https://sites.google.com/site/ucchargerbaseball/>



The baseball program is requesting permission to travel out of state during Spring Break 2025 to Myrtle Beach, South Carolina. We are fundraising as a team and individual players are able to fundraise to help cover the cost of travel expenses and the training facility. Beyond being able to practice baseball, student-athletes will have opportunities to team build, make memories that last forever and new experiences. We have held one general parent meeting with another two other meetings scheduled to keep parents updated on the progress of group and individual fundraising activities (parents are also notified via email and Facebook updates). This year we would only be taking the varsity team (as most other teams only have a varsity program there and self-transport) so we are planning on self-transportation. This will dramatically cut down on player cost. Please contact me if you have any questions.

Duration/Dates: March 29, 2025 (arrival)-April 4, 2025 (depart)  
Approximate cost per player: \$620

We will be staying at *The Breakers Ocean Front Resort*  
<https://www.breakers.com/>

During the day we will be training at the *Ripken Experience*.  
<https://www.ripkenbaseball.com/myrtle-beach-spring-training>

Many parents and family members are planning on attending if approved. We will have 1 chaperone per 5/6 players. *Players are not required to attend this trip.*

Below is a list of fundraisers that we have done, are in the process of doing or will be completing in the future.

**Hotdog sales at football games**

**Pura Vida Bracelet**

**Holiday Wreath Sale**

**Fill the Calendar**

Also see attached sample itinerary. This was our schedule from 2023 and we plan on a similar schedule.

Thank you,

  
Coach Bain

# Spring Break Trip 2025

## Myrtle Beach, SC



# Trip Communication

## JOIN GAME CHANGER

### Union City Chargers

### Varsity



# PHILOSOPHY



**H**USTLE  
**E**NTHUSIASM  
**A**TTITUDE  
**R**ESPECT  
**T**ENACITY

# Purpose of Trip

1. Team Building
2. New Experiences
3. Lasting Memories
4. Train for the baseball season

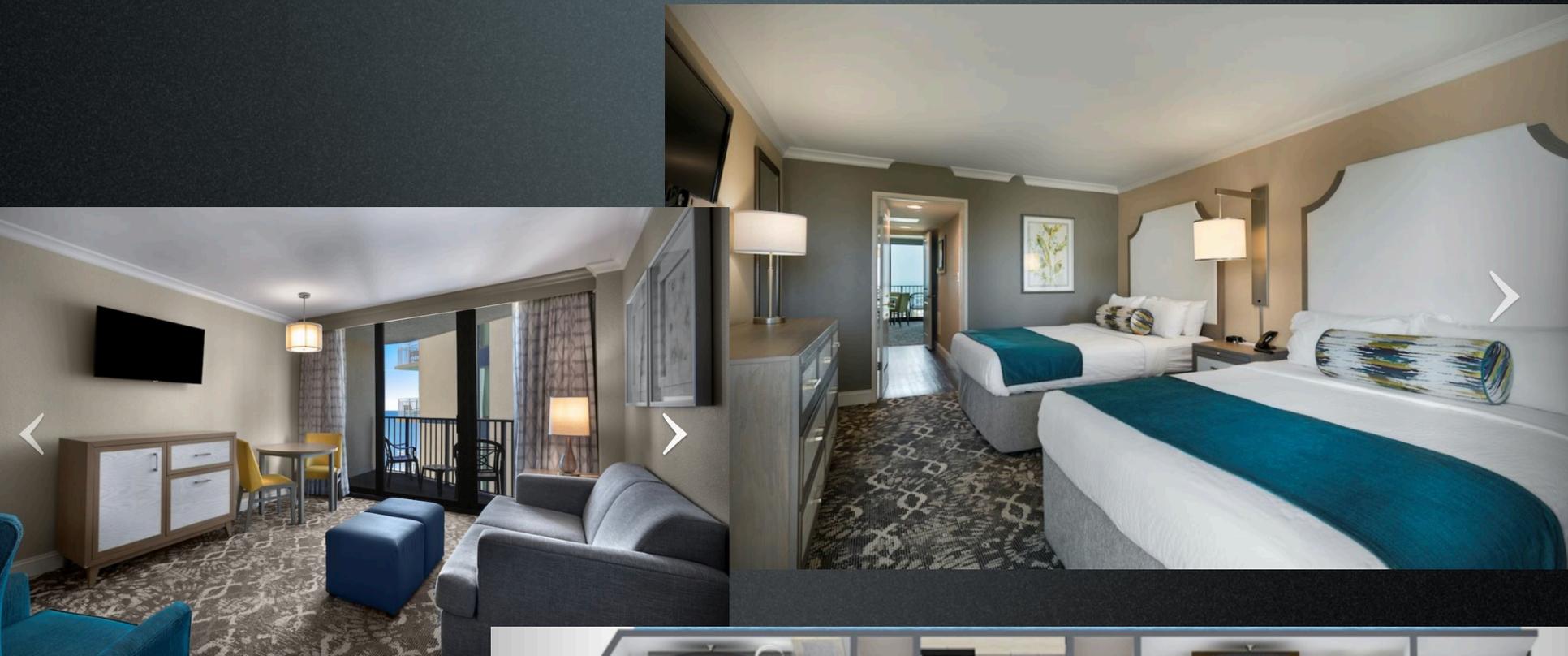






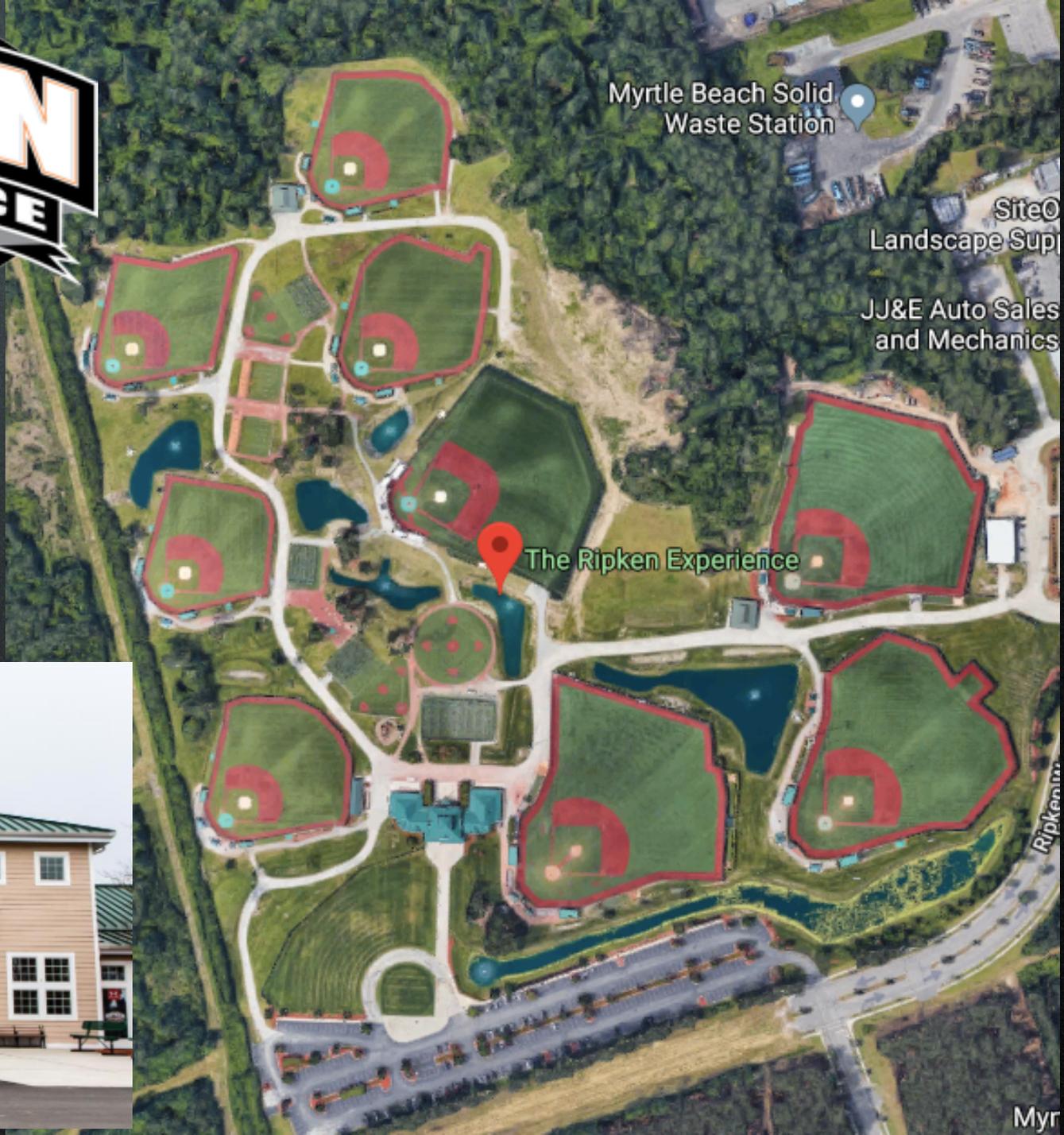
The Breakers Resort

# Accommodations



# Accommodations & Transportation







# Ripken Experience

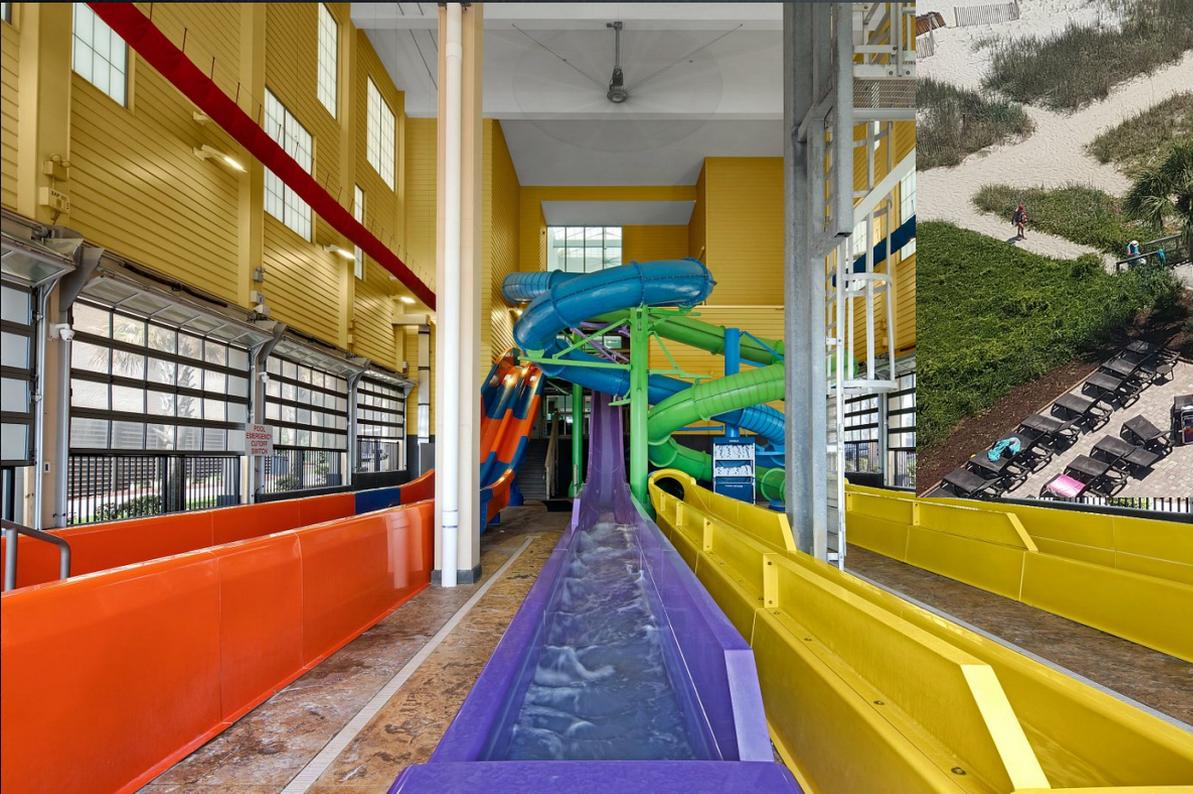




# Costs

1. \$620 per player (6 nights)

\*This does not include spending money or meals



# Fundraisers

1. Bracelets
2. Wreath Sales
3. Fill my Calendar
4. Concessions



Questions?

STUDENT FUND-RAISING ACTIVITY

This form is to be completed and submitted to the principal for approval prior to commencing any student fund-raising activity.

Name of group: Baseball

Advisor (or Representative): Coach Bain

Name of the fund-raiser: Pura Vida Bracelets

Amount of money to be raised: ≈\$500-\$750

Per student quota: No per player quota

Means of fund-raising (e.g. cash contribution, pledge, sale of product or service, etc.):

Selling Pura Vida bracelets in school colors (see next page)

What students (and/or others) will be doing to raise the money:

Football games and other athletic events. Potentially at lunch

Geographic area in which the fund-raising will take place:

High School and middle school

Dates and time requirements: August 28-December 1

Total Activity \_\_\_\_\_

Per student \_\_\_\_\_

How will students be supervised:

Person managing the funds: Coach Bain

Time and place of deposit of funds: \_\_\_\_\_

DESCRIBE ON THE REVERSE SIDE THE PROJECTS FOR WHICH THE MONEY WILL BE SPENT AND THE ESTIMATED COST OF EACH PROJECT.

APPROVED:

DATE:

\_\_\_\_\_

\_\_\_\_\_



ORIGINAL
  BRAIDED
  ENGRAVING
  CHARM

METAL COLOR



MAIN STRINGS

CHOOSE UP TO 3:



TIE COLORS

CHOOSE UP TO 2:



KNOT COLOR

CHOOSE 1:



Average delivery time: 3-5 weeks + shipping

I acknowledge that it may take up to 5 weeks to get my custom bracelet order.

I acknowledge that once my order is placed, there are no refunds or cancellations.

# Christmas Wreath Fundraiser

**Wahmhoff Farms Nursery**  
 11121 M40 Hwy  
 Gobles, MI 49055  
**Office/Loading Yard - No Mail**  
 22330 M-40 Hwy  
 Gobles, MI 49055



**Toll Free: 888-MI-TREES**  
 Office: 269-628-4308  
 Fax: 269-628-7324  
 Website: [www.mitrees.com](http://www.mitrees.com)  
 E-mail: [Fundraiser@mitrees.com](mailto:Fundraiser@mitrees.com)

## Dear Fundraiser Coordinator:

## 2024 Christmas Season

Greetings from Wahmhoff Farms Nursery! We are a local, family-owned farm established in 1950 that specializes in Christmas Trees and Wreaths. We are located in Gobles, Michigan, just 15 miles west of Kalamazoo.

We have been providing premium quality wreaths for years to fundraising groups, helping them achieve their fundraising goals. Our wreaths are hand-made here on our farm with fresh, premium-quality Fraser or Canaan Fir boughs which are harvested from our own fields and are a renewable, recyclable, 100% biodegradable resource. Our beautiful wreaths last well beyond the Christmas season, providing your customers with weeks of enjoyment. This results in return customers who look forward to purchasing wreaths each year as gifts for others and for themselves from your fundraising group!

**Our wreaths have won both State and National contests over the years, winning Grand Champion and Reserve Grand Champion in the Michigan Christmas Tree Association Wreath Contests.** Because of winning contests at the State level, we have often had the honor of presenting wreaths to Michigan's governor.

Decorated wreaths include pine cones, holly berries and a red velvet bow.

The door swag is decorated with a red velvet bow.

All wreaths and swags are individually bagged, then bulk boxed for ease of delivery to you.

### Your Cost:

<u>If you Sell:</u>	<u>Decorated Wreath</u>	<u>Undecorated Wreath</u>	<u>Swag</u>
25-100	\$26.00	\$20.00	\$14.00
101-200	\$25.50	\$19.65	\$13.75
201-500	\$25.00	\$19.30	\$13.50
501-1000	\$24.50	\$18.95	\$13.25
1001+	\$24.00	\$18.60	\$13.00

The more you sell, the less you pay per wreath = **more profit per wreath!**

*(Quantity discounts are based on the total number of wreaths/swags sold by your organization, not on individual sales)*

Wreath Hanger Cost: \$6.00

Suggested Selling Price: \$9.00

\*No discounts on wreath hanger

### Suggested Selling Prices:

*Based on selling 25 to 100 wreaths using the Suggested Selling Price, your profit will be:*

22" Decorated Wreath:	Your Cost: \$26.00	*Selling Price: \$42.00	Profit: \$16.00 per wreath
22" Undecorated Wreath:	Your Cost: \$20.00	*Selling Price: \$32.00	Profit: \$12.00 per wreath
21" Swag:	Your Cost: \$14.00	*Selling Price: \$23.00	Profit: \$9.00 per swag
Wreath Hanger:	Your Cost: \$6.00	*Selling Price: \$9.00	Profit: \$3.00 per hanger

Order Forms are customized for your group. This includes your group's name, what you are raising funds for, when to turn order forms in, and who to make checks payable to.

*The customized order form will be emailed to you for you to print off for your participants.*

*You may specify your selling prices or use the Suggested Selling Prices.*

We will send you a sample wreath (upon request) when you begin your fundraiser: the visual display of a wreath has great potential to increase your sales. If you sell 25+ wreaths, the sample is free. If your group sells less than 25 wreaths, we will charge the price of the wreath plus shipping.

If your groups sells 25+ wreaths, your order is delivered to your location **free of charge** within a 60-mile radius of Gobles, MI. If your group sells less than 25 wreaths, we will charge applicable delivery or shipping fee to get the order to you, or you are welcome to pick your order up to avoid the fee.

Your order needs to be turned in to us on or before November 15th to allow time for processing and production.

We will call to schedule your delivery once we have completed production of your order. Typically, deliveries are scheduled for the first two weeks after Thanksgiving.

Payment is due on delivery. A check can be handed to our driver (make check payable to Wahmhoff Farms Nursery).

For more information or to plan your fundraiser, please feel free to contact me at [betsy@mitrees.com](mailto:betsy@mitrees.com) or call between 8am - 5pm Monday - Friday at 269-628-4308 or toll-free at **888-MI-TREES (648-7337)**.

Sincerely,

*Betsy*

Betsy Wahmhoff Perales

Wahmhoff Farms Nursery

Email: [betsy@mitrees.com](mailto:betsy@mitrees.com)

Toll-free Number: 888-648-7337

Office: 269-628-4308



**Wreaths can be shipped via UPS anywhere in the continental U.S. for an additional fee and are attractively gift boxed for shipment.**



***Fraser and Canaan Fir boughs are a renewable, recyclable and 100% biodegradable resource!***

FIELD TRIP REQUEST FORMTeacher Bigelow School/Class UCMS 5<sup>th</sup> GradeRequest Date 11-9-24 ~~11-9-25~~ Trip Date May 2025 Destination MSU PlanetariumNumber of Students 67 Number of Staff/Chaperones 4-5Purpose of Trip To learn about theCourse of Study Science and History

Specific Learning Objectives to be Accomplished:

Skywatchers of Africa - Learning how cultures of the past  
used the sky in their daily lives.  
We Are Stars - learning about the molecules that make  
up the universe.

Student Behaviors that will Confirm Achievement of the Learning Objectives:

Students should be able connect history and science  
learning from throughout the school year to the new  
learning from the planetarium visit.

Course Objectives Related to the Learning Objectives:

Science - Structure + Properties of Matter Unit

Social Studies - Native American Cultural Regions

Pre-Trip Lessons/Activities to be Done in the Classroom:

Science and history lessons throughout the year will  
be providing background knowledge before participating  
in this experience.

Post Trip Activities/Lessons to Reinforce/Extend Learning:

Students will participate in class discussions making  
connections between material learned in class  
and new material learned on field trip.

I have utilized the guidelines in 2340A to plan, conduct, and evaluate the trip and, upon approval of the trip, I will obtain parental permission (2340 F2 or F2A) and use the Checklist for Trips (2340 F3).

Field Trip Approval

Trip Approved:  Trip Disapproved:  Principal J Thomas Date: 11/08/2024

Trip Approved:  Trip Disapproved:  Superintendent: \_\_\_\_\_ Date: \_\_\_\_\_

(Over)

FIELD TRIP REQUEST FORM

Teacher: Erin Ormsby School/Class: UCHS Spanish 2

Request Date: 11/7/24 Trip Date: 12/12/24 Destination: Detroit, MI

Number of Students: 25-30 Number of Staff/Chaperones: 3

Purpose of Trip: Visit the Detroit Institute of Arts and Mexicantown

Course of Study: Spanish

Fee(s): Museum ticket \$8  
Lunch \$17  
\$25.00

Specific Learning Objectives to be Accomplished:

See Attached

Student Behaviors that will Confirm Achievement of the Learning Objectives:

See Attached

Course Objectives Related to the Learning Objectives:

See Attached

Pre-Trip Lessons/Activities to be Done in the Classroom:

See Attached

## Field Trip Request Details

**Teacher:** Erin Ormsby  
**School/Class:** UCHS Spanish 2 Classes

**Request Date:** 11/7/24

**Number of Students:** 25-30

**Trip Date:** 12/12/24

**Number of Chaperones:** 3

**Destination:** Detroit, Michigan

**Purpose of Trip:** Visit the Detroit Institute of Arts and Mexicantown

**Course of Study:** Spanish

**Fees:** Museum ticket - \$8

Lunch at restaurant - \$17

**Specific Learning Objectives to be Accomplished:** Students will visit the Detroit Institute of Arts to look at art created by Spanish and Latin American artists and visit Mexicantown where they will eat at a restaurant (Mexican Village) to practice ordering in Spanish and visit shops where they will explore products unique to Mexican culture and interact with more native speakers.

**Student Behaviors that will Confirm Achievement of Learning Objectives:**

Students will participate in a scavenger hunt to find paintings in the museum that we studied in class prior to our visit. They will use a Google Form to communicate their findings with me in real time while at the museum.

**Course Objectives Related to the Learning Objectives:** The standards covered by this activity include:

2.2.N.c.b. - Identify historic culture icons including artists .

2.2.M.c.b. - Describe the significance of historic cultural icons including artists.

4.2.N.a. - Identify basic target cultural practices and compare them to one's own.

4.2.N.b. - Identify basic target cultural products and compare them to one's own.

**Pre-Trip Lessons/Activities to be done in the classroom:** Students will learn about the artists whose work they'll see at the museum prior to going and they'll use the menu and practice ordering the food they want in Spanish when they go to the restaurant.

**Post Trip Activities/Lessons to Reinforce/Extend Learning:** Upon return, students will write a reflection in which they compare and contrast things they saw in Mexicantown to what they're used to in their own life experiences.



UNION CITY COMMUNITY SCHOOLS

BUS REQUEST

Class/Group Attending Spanish 2 Classes

Destination Detroit, MI (Detroit Institute of Arts and Mexican-town)

Trip Date 12/12/24 (Month/Day/Year)

Time Leaving: 8:00 a.m. Time Returning: 6:00 p.m.  
~~3:00 a.m.~~

Number of Students: 25-30 Number of Adults: 3

Teacher/Sponsor Signature: Erin Ormsby

Principal/Supervisor Signature: \_\_\_\_\_ Date \_\_\_\_\_

Superintendent Approval: \_\_\_\_\_ Date \_\_\_\_\_

Due 10 Workdays Before Trip

Submit Three Copies (including original) to Building Office

Transportation Department

This trip has been:  Approved  
 Denied

Remarks: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Transportation Supervisor

Date

FIELD TRIP REQUEST FORM

Teacher: Amber Case School/Class: UCHS

Request Date: 11-06-24 Trip Date: 12-19-24 Destination: Little Caesar's Arena

Number of Students: unknown based on ticket sales Number of Staff/Chaperones: depends on ticket sales

Purpose of Trip: to support the varsity girls basketball team

Course of Study: Charger Pride :) Fee(s): \$30 per ticket

Specific Learning Objectives to be Accomplished:

We would provide transportation for any UCHS student who purchases a ticket for the event. We would not stay for the evening Pistons game - only the HS game.

Student Behaviors that will Confirm Achievement of the Learning Objectives:

N/A

Course Objectives Related to the Learning Objectives:

N/A

Pre-Trip Lessons/Activities to be Done in the Classroom:

Prior to the trip, students would participate in a discussion about behavior expectations, meal planning, and groups



**Willis & Jurasek, P.C.**  
**Certified Public Accountants, Consultants**  
4100 Spring Arbor Road  
Jackson, MI 49201-9306  
Phone (517) 788-8660, Fax (517) 788-9872  
Website: [www.willispc.com](http://www.willispc.com)

## Memorandum

**Date:** November 14, 2024

**To:** Sara Leson

**From:** Nancy L. Barton, CPA

**Re: Union City Community Schools – Audited Financial Statements**

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The following are comments for Board presentation of the 6.30.24 audited financial statements:

- The opinion is unmodified – financial information presented is considered to be materially accurate as a result of our audit procedures.
- The financial statements are set up in sections. The first section is the MD&A which is provided by management to describe the activity for the year and includes some brief comparative summaries of current year to prior year information.
- The government-wide information on pages 1 and 2 is on the full accrual basis and thus includes long-term assets (buildings, equipment, etc.) and the related long-term liabilities (bonds payable, notes payable, etc.). Net position is negative due to the balances in accounts related to the School's pension and OPEB benefit plans.
- The fund financial statements, which the School uses on a day-to-day basis and for budgeting purposes, are included on pages 3 and 5. These statements are presented on the modified accrual basis so long-term assets and liabilities are not included.
- The differences between the government-wide statements and the modified-accrual statements are reported on pages 4 and 6.
- The next section is the notes which give detail for various including capital assets, long-term debt, and pension/OPEB information.
- The budget to actual statement for the General Fund is on page 27.
- There were no material adjustments proposed as a result of the audit.
- There were also no new standards implemented for the year.
- There was just one finding – budget overages for the General Fund.
- The General Fund increased its fund balance by approx. \$64,000 leaving an ending fund balance of just under \$2,000,000. This amount is approximately 14% of annual expenditures for the year.
- We recommend monitoring the Food Service Fund expenditures closely as fund balance is less than \$14,000.

- The Single Audit Report is provided in a separate document. Two programs were tested this year – ESSER (used primarily for MS renovations) and Child Nutrition Cluster (federal revenues supporting Food Services). There were no compliance issues reported as a result of the Single Audit testing.

As always, we appreciate the management team's cooperation in making the audit procedure go smoothly.

# **Union City Community Schools**

Financial Report  
With Supplemental Information

Year Ended June 30, 2024

# Union City Community Schools

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**WILLIS & JURASEK**

CPAS AND CONSULTANTS

## **Independent Auditors' Report**

Board of Education  
Union City Community Schools  
Union City, Michigan

### **Opinions**

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

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

### **Basis for Opinions**

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

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

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

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

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

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

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

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

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and certain pension and OPEB information as identified in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 Union City Community Schools' basic financial statements. The combining nonmajor fund financial statements are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor 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 (under separate cover) dated October 3, 2024, on our consideration of Union City Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Union City Community Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union City Community Schools' internal control over financial reporting and compliance.

Sincerely,

*Willis & Jurasek, P.C.*

Willis & Jurasek, P.C.

October 3, 2024

**Union City Community Schools**  
Management's Discussion and Analysis  
Year Ended June 30, 2024

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As Administration of Union City Community Schools, County of Calhoun, State of Michigan, 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, 2024.

**Financial Highlights**

- The District's total net position increased by \$2,613,136.
- As of the close of the current fiscal year, the District's aggregated fund balance for the District's governmental funds was \$3,029,762.
- The General Fund had a net change in fund balance of \$63,637. At the end of the year, the total fund balance for the General Fund was \$1,995,187 or 14% of the total General Fund expenditures.

**Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District financially as a whole. The District-Wide Financial Statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The financial statements then proceed to provide an increasingly detailed look at specific financial activities included in the fund financial statements. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements provide information about the School District's most significant fund – the General Fund, as well as the District's other major fund, the Building & Site Fund, and totals for the District's nonmajor funds.

**Reporting the District as a Whole**

**The Statement of Net Position and Statement of Activities** – One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets, liabilities, deferred outflows, and deferred inflows of the District using the accrual basis of accounting, which is similar to the accounting used by private-sector corporations.

The statement of net position and statement of activities report the governmental activities for the District. These services include instruction, support services, community services, athletics, food services, and transfers to other local districts. Property taxes, intergovernmental revenues, (unrestricted and restricted State Aid), and charges for services finance most of these activities. All of the current year's revenues and expenses for these services are taken into consideration regardless of when cash is received or paid.

The statement of net position reports the District's net position, the difference between assets and deferred outflows, and liabilities and deferred inflows. The statement of activities reports the District's change in net position, the revenues less expenses for the fiscal year, either as an increase or a decrease, or in other words, the operating results for the year. However, the School District's goal is to provide services to its students, not to generate profits, as private-sector corporations do.

These two statements report the District's net position and changes in net position. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as the property tax base, political conditions at the State Capitol, student enrollment growth or shrinkage, birth rates, and facility conditions in arriving at their conclusion regarding the overall health of the District.

**Union City Community Schools**  
Management's Discussion and Analysis  
Year Ended June 30, 2024

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The district-wide financial statements can be found on pages 1-2 of this report.

**Reporting the District's Most Significant Funds**

**Fund Financial Statements** – The fund financial statements provide detailed information about the most significant funds – not the District as a whole. The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's *Accounting Manual*.

**Governmental Funds** – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. In the fund financial statements, capital assets purchased by cash are reported as expenditures in the year of acquisition and thus, no capital assets are reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future years' debt obligations are not recorded.

The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements.

The basic governmental fund financial statements can be found on pages 3 and 5 of this report.

**Additional Information** – The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 7-26 of this report.

**Union City Community Schools**  
Management's Discussion and Analysis  
Year Ended June 30, 2024

**Government-Wide Financial Analysis**

The government-wide financial analysis focuses on the net position and changes in net position of the District's governmental activities. As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following is a summary of the School District's net position as of June 30, 2024 and 2023:

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Assets:</b>		
Current assets	\$ 5,510,494	\$ 7,585,732
Non-current assets	14,505,272	11,800,317
Total assets	20,015,766	19,386,049
 <b>Deferred Outflows of Resources</b>	 8,866,484	 9,232,056
 <b>Liabilities:</b>		
Current liabilities	2,227,557	2,206,917
Non-current liabilities	22,763,261	27,088,360
Total liabilities	24,990,818	29,295,277
 <b>Deferred Inflows of Resources</b>	 6,396,425	 4,414,320
 <b>Net Position:</b>		
Invested in capital assets - net of related debt	12,708,323	11,692,393
Restricted	1,383,100	3,444,511
Unrestricted	(16,569,778)	(20,228,395)
Total net position	\$ (2,478,355)	\$ (5,091,491)

The above analysis focuses on the net position. The change in net position of the School District's governmental activities is discussed below. The net position differs from fund balances and a reconciliation appears on page 4.

By far the largest portion of the District's positive net position reflects its investment in capital assets (i.e. land, buildings, vehicles, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; 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 to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Typically, one portion of the District's net position, the *restricted* portion, represents resources that are subject to external restrictions on how they may be used. In the case of the School District, these included amounts restricted for student activities, capital projects, and debt service. The *unrestricted* balance of \$(16,569,778), which is a *negative* net position, is negative as a result of the pension liability. The pension liability at fiscal year-end is expected to be reduced to \$0 over a declining period ending September 30, 2038.

**Union City Community Schools**  
Management's Discussion and Analysis  
Year Ended June 30, 2024

The results of this year's operations for the School District as a whole are reported in the Statement of Activities which shows the change in net position for fiscal year 2024.

The following is a summary of the changes in net position for the years ended June 30, 2024 and 2023:

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 307,613	\$ 314,228
Operating grants	5,729,858	5,364,680
General revenues:		
Property taxes	1,521,045	1,845,948
Grants and state aid	7,709,568	7,275,745
Other	530,312	365,981
Total revenues	15,798,396	15,166,582
<b>Functions/Program Expenses:</b>		
Instruction	7,308,839	7,949,016
Support services	3,047,398	3,742,432
Athletics	702,166	755,010
Food service activities	110,471	96,935
Student activities	564,898	496,472
Community service	5,715	4,620
Interest	77,443	596
Capital outlay	576,020	491,692
Depreciation/amortization (unallocated)	792,310	585,220
Total expenses	13,185,260	14,121,993
Increase (decrease) in net position	2,613,136	1,044,589
Net position beginning of year	(5,091,491)	(6,136,080)
Ending net position	<b>\$ (2,478,355)</b>	<b>\$ (5,091,491)</b>

The District's net position increased by \$2,613,136 during the current fiscal year. The increase in net position differs from the change in fund balance and a reconciliation appears on page 6.

The net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted State Aid constitute the vast majority of the School District's operating revenue sources, the Board of Education and Administration must annually evaluate the needs of the School District and balance those needs with State-prescribed available unrestricted resources.

**Union City Community Schools**  
Management's Discussion and Analysis  
Year Ended June 30, 2024

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**General Fund Budgeting and Operating Highlights**

The School District's budgets are prepared according to Michigan Law. The most significant budgeted funds are the General Fund and the nonmajor governmental fund for Food Service.

During the fiscal year ended June 30, 2024, the School District amended the budgets of these governmental funds two times. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the School District's General Fund original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

The General Fund actual revenue and other financing sources were \$14,665,791. That amount is above the amended budget estimate of \$14,035,969. The \$629,822 variance (4.5%), considered immaterial by management, can be attributed to federal revenue sources, specifically ESSER III funds, that were not included in the amended budget.

The actual expenditures and other financing uses of the General Fund were \$14,602,154, which is above the amended budget estimate of \$14,067,315. The \$534,839 variance (3.8%) can mostly be attributed to expenses related to the ESSER III project (HVAC improvement at the Middle school) not included in the amended budget.

The General Fund had total revenue and other financing sources of \$14,665,791 and total expenditures of \$14,602,154 with a net change in fund balance of \$63,637 and an ending fund balance of \$1,995,187. The District continues to educate employees on budget and purchasing practices to get the most for our limited budget.

**Union City Community Schools**  
Management's Discussion and Analysis  
Year Ended June 30, 2024

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**Capital Asset and Debt Administration**

**Capital Assets** – At the end of the fiscal year 2024, the School District had \$24,531,385 invested in land and buildings, furniture and equipment, vehicles and buses, construction in progress, and right-to-use assets. Of this amount, \$10,026,113 in depreciation/amortization has been taken over the years. We currently have a net book value of \$14,505,272.

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Land	\$ 41,355	\$ 41,355
Construction in progress	2,094,399	742,373
Buildings and improvements	19,208,137	17,600,937
Furniture and equipment	1,887,876	1,543,313
Buses and other vehicles	1,205,054	1,144,049
SBITAs	94,564	94,564
Total capital assets	24,531,385	21,166,591
Less accumulated depreciation	10,026,113	9,366,274
Net capital assets	\$ 14,505,272	\$ 11,800,317

The District continues to use sinking fund money to make improvements throughout the District. Some of the improvements include HVAC improvements at the Middle school, refinishing the High school gym floor and stadium bleacher project. Major purchases for the year included food service program purchases, new furniture for the High school classrooms, new iPads for students and staff, and two used school buses.

**Long-Term Debt** – At June 30, 2024, the District had total long-term debt outstanding of \$1,953,949.

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Notes payable	\$ 71,949	\$ 107,924
Bonds payable	1,725,000	2,035,000
Compensated absences	157,000	166,000
Total	\$ 1,953,949	\$ 2,308,924

The District's total long-term bonds and notes payable decreased by payments of \$345,975 and the estimate of compensated absences payable decreased by \$9,000.

State statutes limit the amount of general obligation debt that a school district may issue to 15 percent of its total assessed valuation (State Equalized Value). The current outstanding general obligation debt for Union City Community Schools is significantly below the current debt limitation. Additional information on the District's long-term debt can be found in Note 8 starting on page 17 of this report.

The District also has long-term pension and OPEB assets/liabilities, netted with related deferred inflows and deferred outflows of resources, of approximately \$17,000,000 and \$950,000, respectively. These liabilities are being amortized over a declining period ending September 30, 2038. See Note 10 for further information.

**Union City Community Schools**  
Management's Discussion and Analysis  
Year Ended June 30, 2024

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**Economic Factors and Next Year's Budgets and Rates**

On March 15, 1994, the electors of the State of Michigan approved a ballot proposition to amend the State Constitution of 1963, in part, to increase the State sales tax from 4% to 6% as part of a complex plan to restructure the source of funding of public education (K-12) in order to reduce reliance on local property taxes for school operating purposes and to equalize the per pupil finance resource disparities among school districts. The State Aid package passed by the Legislature as part of the school finance reform legislation instituted a per pupil foundation guarantee beginning in fiscal year 1994-1995. The foundation guarantee consists of the locally raised property taxes plus State Aid. The source of revenues for the State's contribution to the foundation allowance is derived from a mix of taxing sources, including but not limited to six mills on PRE (Principal Residence Exemption) property, a State sales and use tax, a real estate transfer tax and a cigarette tax.

The following factors were considered in preparing the District's budgets for the 2024-2025 fiscal year:

- Foundation allowance of \$9,608 per pupil
- Decrease in student enrollment
- Pay increases for employees (excluding individual contracts)
- Adjustments in staff positions
- Furniture needs at all of the schools

The State K-12 budget was approved on July 24, 2024. Budget amendments will be made throughout the 2023-2024 school year to reflect the State approved budget as well as for any other necessary changes.

**Requests for Information**

This financial report is designed to provide a general overview of the Union City Community Schools' finances for all those with an interest in the District's finances. Questions concerning any of this information provided in this report or requests for additional information should be addressed to:

Sara Leson  
Business Manager  
Union City Community Schools  
430 St. Joseph Street  
Union City, MI 49094  
Phone: (517) 741-3301  
E-mail: [sleson@unioncityschools.org](mailto:sleson@unioncityschools.org)

## Union City Community Schools

### Statement of Net Position

June 30, 2024

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 2,348,899
Receivables	2,751,116
Inventories	15,866
Prepaid expenses	32,400
Net OPEB asset	362,213
Capital assets:	
Cost of capital assets	24,531,385
Less: accumulated depreciation/amortization	(10,026,113)
Net capital assets	14,505,272
Total assets	20,042,404
<b>Deferred Outflows of Resources:</b>	
Pension related	7,260,908
OPEB related	1,605,576
Total deferred outflows of resources	8,866,484
<b>Liabilities:</b>	
Accounts payable and accrued expenses	1,408,936
State aid anticipation notes	351,428
Unearned revenue	467,193
Long-term liabilities:	
Due within one year:	
Bonds and notes payable	440,975
Accrued interest	11,344
Compensated absences	15,700
Due in more than one year:	
Bonds and notes payable	1,355,974
Compensated absences	141,300
Net pension liability	20,797,968
Total liabilities	24,990,818
<b>Deferred Inflows of Resources:</b>	
Pension related	3,478,040
OPEB related	2,918,385
Total deferred inflows of resources	6,396,425
<b>Net Position:</b>	
Invested in capital assets, net of related debt	12,708,323
Restricted for:	
Capital projects	865,760
Student activities	155,127
Net other postemployment benefits	362,213
Unrestricted	(16,569,778)
Total net position	\$ (2,478,355)

See Notes to Financial Statements.

**Union City Community Schools**  
Statement of Activities  
Year Ended June 30, 2024

Functions/Programs	Program Revenue			Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expenses) Revenues and Change in Net Position
<b>Primary Government</b>				
Governmental activities:				
Instruction	\$ 7,308,839	\$ -	\$ 4,147,824	\$ (3,161,015)
Support services	3,047,398	52,615	337,001	(2,657,782)
Food service activities	702,166	39,757	738,211	75,802
Student activities	110,471	130,404	-	19,933
Athletics	564,898	84,837	2,013	(478,048)
Community services	5,715	-	-	(5,715)
Interest on long-term debt	77,443	-	-	(77,443)
Capital outlay	576,020	-	504,809	(71,211)
Depreciation/amortization (unallocated)	792,310	-	-	(792,310)
Total governmental activities	<u>\$ 13,185,260</u>	<u>\$ 307,613</u>	<u>\$ 5,729,858</u>	<u>(7,147,789)</u>
<b>General Revenues:</b>				
Taxes:				
Property taxes, levied for general purposes				1,119,495
Property taxes, levied for capital projects				401,550
State aid not restricted to specific purposes				7,673,547
Grants not restricted to specific purposes				36,021
Unrestricted investment earnings				53,852
Other				476,460
Total general revenues				<u>9,760,925</u>
<b>Change in Net Position</b>				2,613,136
<b>Net Position - Beginning of Year</b>				<u>(5,091,491)</u>
<b>Net Position - End of Year</b>				<u>\$ (2,478,355)</u>

**Union City Community Schools**

Balance Sheet  
Governmental Funds  
June 30, 2024

	<u>General Fund</u>	<u>Building &amp; Site Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>				
Cash and investments	\$ 1,063,287	\$ 1,095,615	\$ 189,997	\$ 2,348,899
Receivables	2,751,116	-	-	2,751,116
Due from other funds	26,638	8,324	-	34,962
Inventories	10,410	-	5,456	15,866
Prepaid expenditures	32,400	-	-	32,400
Total assets	<u>\$ 3,883,851</u>	<u>\$ 1,103,939</u>	<u>\$ 195,453</u>	<u>\$ 5,183,243</u>
<b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 38,348	\$ 238,179	\$ -	\$ 276,527
Salaries payable and related	1,017,033	-	-	1,017,033
Accrued expenditures	6,338	-	-	6,338
Due to other funds	8,324	-	26,638	34,962
Unearned revenue	467,193	-	-	467,193
State aid notes payable	351,428	-	-	351,428
Total liabilities	<u>1,888,664</u>	<u>238,179</u>	<u>26,638</u>	<u>2,153,481</u>
<b>Fund Balances:</b>				
Nonspendable:				
Inventories	10,410	-	5,456	15,866
Prepaid expenditures	32,400	-	-	32,400
Restricted:				
Capital projects	-	865,760	-	865,760
Food services	-	-	8,122	8,122
Student activities	-	-	155,127	155,127
Debt service	-	-	110	110
Assigned:				
Capital projects	75,000	-	-	75,000
Subsequent year expenditures	91,847	-	-	91,847
Unassigned	1,785,530	-	-	1,785,530
Total fund balances	<u>1,995,187</u>	<u>865,760</u>	<u>168,815</u>	<u>3,029,762</u>
Total liabilities and fund balances	<u>\$ 3,883,851</u>	<u>\$ 1,103,939</u>	<u>\$ 195,453</u>	<u>\$ 5,183,243</u>

See Notes to Financial Statements.

## Union City Community Schools

Reconciliation of Fund Balances on the Balance Sheet of Governmental Funds to  
Net Position of Governmental Activities on the Statement of Net Position  
June 30, 2024

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<b>Total Fund Balances - Governmental Funds</b>	\$	3,029,762
 Amounts reported for governmental activities in the Statement of Net Position are different because:		
 Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		
The cost of capital assets is	\$	24,531,385
Accumulated depreciation/amortization is	<u>(10,026,113)</u>	14,505,272
 Long-term liabilities and related deferred outflows and inflows are not due and payable in the current period and are not reported in the funds.		
Bonds and notes payable	(1,796,949)	
Compensated absences	(157,000)	
Accrued medical claims	(61,400)	
Accrued interest	(11,344)	
Accrued vacation	(21,000)	
Deferred outflows related to net pension liability	7,260,908	
Deferred outflows related to net OPEB asset/liability	1,605,576	
Deferred inflows related to net pension liability	(3,478,040)	
Deferred inflows related to net OPEB asset/liability	(2,918,385)	
Net pension liability	(20,797,968)	
Net OPEB asset	<u>362,213</u>	<u>(20,013,389)</u>
 <b>Total Net Position - Governmental Activities</b>	 \$	 <u><u>(2,478,355)</u></u>

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

	<b>General Fund</b>	<b>Building &amp; Site Fund</b>	<b>Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Local sources	\$ 1,534,832	\$ 425,145	\$ 170,391	\$ 2,130,368
State sources	11,056,872	-	137,976	11,194,848
Federal sources	1,194,455	-	600,235	1,794,690
Interdistrict and other	839,557	-	72	839,629
Total revenues	<u>14,625,716</u>	<u>425,145</u>	<u>908,674</u>	<u>15,959,535</u>
<b>Expenditures:</b>				
Instruction	8,658,423	-	-	8,658,423
Support services	5,363,756	-	-	5,363,756
Food service activities	-	-	794,200	794,200
Student activities	-	-	110,471	110,471
Community services	5,715	-	-	5,715
Debt service:				
Principal	35,975	-	310,000	345,975
Interest and other charges	550	-	65,962	66,512
Capital outlay	537,735	2,492,702	-	3,030,437
Total expenditures	<u>14,602,154</u>	<u>2,492,702</u>	<u>1,280,633</u>	<u>18,375,489</u>
<b>Revenues Over (Under) Expenditures</b>	<u>23,562</u>	<u>(2,067,557)</u>	<u>(371,959)</u>	<u>(2,415,954)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	40,075	-	376,000	416,075
Transfers out	-	(376,000)	(40,075)	(416,075)
Total other financing sources (uses)	<u>40,075</u>	<u>(376,000)</u>	<u>335,925</u>	<u>-</u>
<b>Net Changes in Fund Balances</b>	63,637	(2,443,557)	(36,034)	(2,415,954)
<b>Fund Balances - Beginning of Year</b>	<u>1,931,550</u>	<u>3,309,317</u>	<u>204,849</u>	<u>5,445,716</u>
<b>Fund Balances - End of Year</b>	<u>\$ 1,995,187</u>	<u>\$ 865,760</u>	<u>\$ 168,815</u>	<u>\$ 3,029,762</u>

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

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	(2,415,954)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures; in the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation or amortization.</p>		
Depreciation/amortization expense	\$ (792,310)	
Capital outlay	<u>3,497,265</u>	2,704,955
<p>Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.</p>		
Repayments to bond and note holders	345,975	
Change in compensated absences	9,000	
Change in accrued expenditures	<u>(15,500)</u>	339,475
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and thus are not reported as expenditures in governmental funds:</p>		
Accrued interest not reflected in governmental funds		(10,931)
<p>Governmental funds report the required pension and OPEB contributions for the District's fiscal year ended June 30 as expenditures. The Statement of Activities reports the fully accrued pension and OPEB expenses based upon a September year-end to coincide with the State of Michigan's fiscal year.</p>		
Changes in pension related liabilities and deferrals	691,059	
Changes in OPEB related assets/liabilities and deferrals	<u>1,304,532</u>	<u>1,995,591</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>2,613,136</u></b>

**Union City Community Schools**  
Notes to Financial Statements

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**Note 1 – Summary of Significant Accounting Policies**

The basic financial statements of Union City Community Schools (the “School District” or “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable 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 School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District’s reporting entity, and which organizations are legally separate, component units of the School District. Based on the application of the criteria, the District does not contain any component units.

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

**District-Wide and Fund Financial Statements**

**District-Wide Financial Statements** – The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. 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. All of the School District’s government-wide activities are considered governmental activities. The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

The Statement of Net Position presents all governmental activities on a consolidated basis. The Statement of Net Position reports all assets and liabilities including those of a long-term nature. The net difference is reported as net position. Net position is categorized as net investment in capital assets, restricted net position, and unrestricted net position. It is the District’s policy to allocate resource outlays first to restricted net position with the remainder allocated to unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other unrestricted items are not included as program revenues but instead as general revenue. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

**Union City Community Schools**  
Notes to Financial Statements

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**District-Wide and Fund Financial Statements Continued)**

**Fund-Based Statements** – Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements with nonmajor governmental funds aggregated into a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, severance pay, claims, and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds; issuance of long-term debt and acquisitions of lease and SBITA assets are reported as other financing sources.

Property taxes, unrestricted State aid, intergovernmental grants, and interest associated with the current fiscal period, are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Expenditure reimbursing grants are recognized when the qualifying expenditures have been incurred, eligibility requirements have been met, and receipt of monies is expected within the current availability period (60 days post year-end). All other revenue items are considered to be available only when cash is received by the government.

The School District reports the following major governmental funds:

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

**Capital Project Funds** – Capital Project Funds are used to record tax receipts, bond proceeds, or other revenue and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment, and for remodeling. The District maintains one capital project fund, the Building & Site Fund, which is a major fund. The Building & Site Fund is a sinking fund which records capital project activities funded with sinking fund millage. For this fund, the School District has complied with the applicable provisions of Section 1212(1) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

Additionally, the government reports the following fund types:

**Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes (not including expendable trusts or major capital projects). The Special Revenue Funds maintained by the District are the Food Service Fund and the Student Activities Fund.

**Debt Service Funds** – Debt Service Funds are used to record tax, interest, and other revenue for payment of principal and other expenditures and the disbursements thereof on a particular bond issue. The District currently maintains one debt fund, the 2023 Bond Debt Fund.

**Union City Community Schools**  
Notes to Financial Statements

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Revenue, Assets, Liabilities, and Net Position or Equity**

**State Revenue** – The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The foundation is funded from State and local sources. Revenues from State sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of State funds to school districts based on information supplied by the districts. For the year ended June 30, 2024, the foundation allowance was based on blended pupil membership counts.

The State portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of State sales and other taxes. The local portion of the foundation is funded primarily by non-PRE (non-homestead property) taxes which may be levied at a rate of up to 18 mills. The local portion also includes 6 mills on commercial personal property. The State revenue is recognized during the foundation period and is funded through payments from October 2023 to August 2024. Thus, the unpaid portion at June 30<sup>th</sup> is reported as due from other governmental units.

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

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

For the year ended June 30, 2024, the District levied the following amounts per \$1,000 of assessed valuation:

General Fund – non-primary residence	17.7252
General Fund – commercial personal property	5.7252
Building & Site Fund – all taxable values	1.9962

Tax abatements provided to property taxpayers, if any, were not significant, and thus, no disclosure was deemed required in accordance with GASB Statement No. 77, *Tax Abatement Disclosures*.

**Cash and Investments** – Cash and cash equivalents include cash on hand, demand deposits, and certificates of deposit.

The District reports its investments in accordance with professional standards. Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the District intends to hold the investment until maturity. Accordingly, investments in bankers' acceptances and commercial paper are recorded at amortized cost.

**Union City Community Schools**  
Notes to Financial Statements

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Revenue, Assets, Liabilities, and Net Position or Equity (Continued)**

**Cash and Investments (Continued)** – State statutes authorize the District to invest in bonds, and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively, but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, contained in the Michigan Compiled Laws. The District is also authorized to invest in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

**Receivables and Payables** – In general, outstanding balances between funds are reported as “due to/from other funds.” Activities 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.” Property tax and other trade receivables are shown net of an allowance for uncollectible amounts. The District has determined the uncollectible amounts are immaterial and no provision has been recorded.

**Inventories and Prepaid Items** – Inventories are valued at cost (purchase price) on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both district-wide and fund financial statements.

**Capital Assets** - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the district-wide financial statements. The government defines capital assets as assets with an initial individual cost of \$5,000 or greater and an estimated useful life in excess of one year. Group purchases are evaluated on a case-by-case basis. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The District does not have infrastructure type assets.

Right-to-use assets, if any, are amortized using the straight-line method over the shorter of the lease/subscription period or the estimated useful lives. Capital assets, including right-to-use assets, are depreciated/amortized using the straight-line method over the following useful lives:

Buildings and improvements	15-50 years
Buses and other vehicles	5-10 years
Furniture and equipment	5-20 years
SBITAs	4-6 years

**Leases and Subscription-Based IT Arrangements (SBITAs)** – The District recognizes lease/subscription-based IT arrangement liabilities and the related intangible right-to-use assets in the government-wide financial statements with an initial individual value of \$10,000 or more.

**Union City Community Schools**  
Notes to Financial Statements

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Revenue, Assets, Liabilities, and Net Position or Equity (Continued)**

**Leases and Subscription-Based IT Arrangements (SBITAs) (Continued)** – At the commencement of a lease/subscription, the District initially measures the liability at the present value of payments expected to be made during the lease/SBITA term. Subsequently, the lease/SBITA liability is reduced by the principal portion of the lease/SBITA payments made. The lease/SBITA right-to-use asset is initially measured as the initial amount of the lease/SBITA liability, adjusted for lease/subscription payments made at or before the lease/subscription commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases/SBITAs include how the District determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA terms, and (3) lease/SBITA payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases/SBITAs.
- The lease/SBITA term includes the noncancelable period of the lease/subscription. Lease/SBITA payments included in the measurement of the lease/SBITA liability are composed of fixed payments and any purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease/SBITA liabilities and remeasures lease/SBITA assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liabilities.

Lease/SBITA assets are reported with other capital assets, and lease/SBITA liabilities are reported with long-term obligations on the Statement of Net Position.

**Compensated Absences** - The District reports a liability for compensated absences which consists of unpaid, accumulated sick leave balances. The liability has been calculated using the vesting method in which leave amounts for employees who are currently eligible to receive termination payments are included.

**Long-Term Obligations** – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are reported as a deferred inflow or outflow, separate from assets and liabilities, and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental-fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Debt issued as well as premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**Deferred Outflows of Resources** – This separate financial statement element represents a consumption of net position or fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. For governmental funds, this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.

**Union City Community Schools**  
Notes to Financial Statements

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Revenue, Assets, Liabilities, and Net Position or Equity (Continued)**

**Deferred Outflows of Resources (Continued)** – For district-wide statements, the District currently reports deferred outflows of resources related to deferred pension and OPEB plan expenses which will be expensed in the plan year in which they apply and for pension and OPEB payments made subsequent to the measurement date to be recognized as the corresponding time lags are met.

**Deferred Inflows of Resources** – In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District currently reports deferred inflows of resources related to its net pension and net OPEB plan liabilities including amounts deferred for MPERS Unfunded Actuarial Accrued Liabilities (UAAL) stabilization statutorily required contributions. These future resources will be amortized and recognized over a time period established by the actuary and relate to differences between actuarial estimates and actual results.

**Defined Benefit Pension Plan** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value. See Note 10 for detailed information.

**Postemployment Benefits Other Than Pensions** – For purposes of measuring the net OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Related investments are reported at fair value. See Note 10 for detailed information.

**Fund Equity** – The District has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In accordance with this guidance, fund balances of governmental funds are categorized according to five defined categories of fund balance. These categories consist of *nonspendable* amounts which are not in spendable form or are legally or contractually required to be maintained intact; *restricted* amounts that are constrained for specific purposes set by external parties or law; *committed* amounts that are constraints set by the highest decision making authority (the School Board) through adoption of a resolution and may only be removed by the School Board through a rescindment resolution; *assigned* amounts that have an intended purpose but require no formal specific action; and *unassigned* amounts which are the residual of the other categories and have no specific purpose.

It is the District's policy to generally use fund balance in order according to the hierarchy of fund balance categories, from restricted down to unassigned.

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

**Union City Community Schools**  
Notes to Financial Statements

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**Note 2 – Stewardship, Compliance, and Accountability**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and State law for the General Fund and special revenue funds. Annual appropriations lapse at fiscal year-end. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the *Uniform Budgeting and Accounting Act* (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated at the function level per State law. Violations, if any, for the General Fund are noted in the required supplementary information section.
4. The Superintendent is authorized to transfer budgeted amounts between major expenditures functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
6. The budget was amended during the year with supplemental appropriations, the last one approved prior to fiscal year-end.

**Note 3 – Cash and Investments**

At year-end, the District's deposits were reported in the basic financial statements – governmental activities. The breakdown between deposits and investments for the School District is as follows:

Deposits (checking and savings accounts)	\$ 2,236,434
Investments in MILAF and MI CLASS pooled investment funds	112,231
Petty cash and cash on hand	234
Total	<u>\$ 2,348,899</u>

The District holds investments in Michigan CLASS and Michigan Investment Liquid Asset Fund (MILAF) accounts which are considered external investment pools as defined by GASB and as such are recorded at amortized cost which approximates fair value. Both pools are designed to meet the needs of Michigan public sector investors and invest only in instruments applicable to Michigan laws over investment options for local governments. There are no limitations or restrictions on withdrawals from these investment pools except for a one-day minimum investment period on the MILAF cash management funds and a fourteen-day redemption limitation on MILAF MAX Class funds.

**Union City Community Schools**  
Notes to Financial Statements

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**Note 3 – Cash and Investments (Continued)**

**Investment and Deposit Risk** – The District’s cash and investments are subject to several types of risk, as noted below.

**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 requires that financial institutions be evaluated and only those with an acceptable risk level are used for the District’s deposits for custodial credit risk. At year-end, the District’s deposit balance of approximately \$2,300,000 had \$2,000,000 of bank deposits that were uninsured and uncollateralized.

**Custodial Credit Risk – Investments** – Custodial credit risk of investments is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk.

The District’s investments under the interlocal agreement (MILAF) and under the Michigan CLASS agreement are regulated by the Urban Cooperation Act. Both agreements are rated AAAM by Standard and Poor’s.

**Interest Rate Risk** – State law limits the allowable investments and the maturities of some of the allowable investments. 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.

**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 specific financial institutions, qualified mutual funds and qualified external investment pools. See Note 1 for a full description of allowed investments. The District’s investment policy does not further limit its investment choices.

**Concentration of Credit Risk** – The District’s investment policy does not limit investments with individual issuers.

**Foreign Currency Risk** - The District does not invest in foreign currency and does not maintain a policy regarding foreign currency risk.

**Note 4 – Receivables**

Receivables at year end totaled \$2,751,116 and consist primarily of amounts due from the Michigan Department of Education for State aid and federal grants.

**Union City Community Schools**  
Notes to Financial Statements

**Note 5 – Capital Assets**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Year-End Balance</u>
Capital assets not being depreciated:				
Land	\$ 41,355	\$ -	\$ -	\$ 41,355
Construction in progress	742,373	1,795,208	443,182	2,094,399
Subtotal	<u>783,728</u>	<u>1,795,208</u>	<u>443,182</u>	<u>2,135,754</u>
Capital assets being depreciated/ amortized:				
Buildings and improvements	17,600,937	1,607,200	-	19,208,137
Buses and other vehicles	1,144,049	133,760	72,755	1,205,054
Furniture and equipment	1,543,313	404,279	59,716	1,887,876
SBITAs	94,564	-	-	94,564
Subtotal	<u>20,382,863</u>	<u>2,145,239</u>	<u>132,471</u>	<u>22,395,631</u>
Accumulated depreciation/amortization:				
Buildings and improvements	7,893,638	415,978	-	8,309,616
Buses and other vehicles	725,307	97,500	72,755	750,052
Furniture and equipment	738,660	254,561	59,716	933,505
SBITAs	8,669	24,271	-	32,940
Subtotal	<u>9,366,274</u>	<u>792,310</u>	<u>132,471</u>	<u>10,026,113</u>
Net capital assets being depreciated/amortized	<u>11,016,589</u>	<u>1,352,929</u>	<u>-</u>	<u>12,369,518</u>
Net capital assets	<u>\$11,800,317</u>	<u>\$ 3,148,137</u>	<u>\$ 443,182</u>	<u>\$14,505,272</u>

Depreciation/amortization for the current year totaled \$792,310. The District determined that it was impractical to allocate depreciation/amortization to various governmental activities as the assets serve multiple functions.

**Union City Community Schools**  
Notes to Financial Statements

**Note 6 – Interfund Receivables, Payables and Transfers**

The District reports interfund balances between some of its funds. The sum of all balances presented in the table below agrees with the sum of interfund balances presented in the balance sheet for governmental funds. These interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The composition of interfund balances is as follows:

		<b>Due To:</b>				
		<b>General Fund</b>	<b>Building &amp; Site Fund</b>			<b>Total</b>
<b>Due From:</b>						
General Fund	\$	-	\$	8,324	\$	8,324
Non-major Funds	\$	26,638	\$	-	\$	26,638

During the year, \$40,075 was transferred from the Food Service Fund to the General Fund to cover indirect costs. In addition, the Building & Site Fund transferred \$376,000 to the 2023 Bond Debt Fund to cover debt service.

**Note 7 – Notes Payable**

For the fiscal year ended June 30, 2024, the District was issued State Aid Anticipation Notes to allow for needed cash flow prior to receipt of State Aid which totaled \$1,200,000. \$990,000 was borrowed under a set-aside arrangement due in seven increments, including interest at 3.46%, of \$145,928 each beginning January, 2024 and ending July, 2024. Another \$210,000 was borrowed with an interest rate of 3.46% and a maturity date of August, 2024.

The State Aid Anticipation Notes are secured by the full faith and credit of the District as well as pledged State Aid. The year-end balance at June 30, 2024 was \$351,429. In addition, accrued interest at year-end was \$6,338. Activity for the year is as follows:

<b><u>Balance</u></b>	<b><u>Additions</u></b>	<b><u>Payments</u></b>	<b><u>Balance</u></b>
<b><u>June 30, 2023</u></b>			<b><u>June 30, 2024</u></b>
<b><u>\$ 360,000</u></b>	<b><u>\$ 1,200,000</u></b>	<b><u>\$ 1,208,572</u></b>	<b><u>\$ 351,428</u></b>

The District approved the issuance of State Aid Anticipation Notes for the 2024-25 school year totaling \$1,000,000. This amount was borrowed under a set-aside arrangement due in seven increments, including interest at 3.33%, of \$147,231 each beginning January, 2025 and ending July, 2025.

**Union City Community Schools**  
Notes to Financial Statements

**Note 8 – Long-Term Debt**

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities, the acquisition of certain equipment, and right-to-use assets. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term debt obligations include compensated absences and net pension and OPEB liabilities. See Note 10 for further details about the net pension and OPEB liabilities. Long-term obligation activity is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Notes payable	\$ 107,924	\$ -	\$ 35,975	\$ 71,949	\$ 35,975
Bonds payable	2,035,000	-	310,000	1,725,000	405,000
Compensated absences	166,000	-	9,000	157,000	15,700
Total governmental activities	<u>\$ 2,308,924</u>	<u>\$ -</u>	<u>\$ 354,975</u>	<u>\$ 1,953,949</u>	<u>\$ 456,675</u>

Long-term notes payable consist of:

\$179,874 bank note payable, secured by buses; payable in annual installments of \$35,975 plus interest at a rate of .51%; matures October, 2025	<u>\$ 71,949</u>
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Annual debt service requirements on the above governmental note obligations are as follows:

	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 35,975	\$ 367	\$ 36,342
2026	35,974	183	36,157
Total	<u>\$ 71,949</u>	<u>\$ 550</u>	<u>\$ 72,499</u>

General obligation bonds consist of:

\$2,035,000 - 2023 School Building and Site General Obligation (Limited Tax) Bonds; payable in annual installments of \$405,000 - \$460,000 through May, 2028 with interest at 3.85%	<u>\$ 1,725,000</u>
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**Union City Community Schools**  
Notes to Financial Statements

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**Note 8 – Long-Term Debt (Continued)**

Annual debt service requirements on the above governmental bond obligations are as follows:

	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 405,000	\$ 66,413	\$ 471,413
2026	420,000	50,820	470,820
2027	440,000	34,650	474,650
2028	460,000	17,710	477,710
Total	\$ 1,725,000	\$ 169,593	\$ 1,894,593

**Note 9 – Leases**

The District leases office equipment and vending machines under various operating leases. Minimum payments for the fiscal year ending June 30, 2024 under these non-cancellable leases are approximately \$21,000. Rent expense for the year ended June 30, 2024 was approximately \$21,000. Management has determined that the effect of implementing GASB Statement No. 87, *Leases*, is not material to the financial statements and thus has not been applied.

**Union City Community Schools**  
Notes to Financial Statements

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**Note 10 – Defined Benefit Pension Plan and Postemployment Benefits Other Than Pensions**

**Organization**

**Pension/OPEB Plan Description** – The School District participates in the Michigan Public School Employees' Retirement System ("MPERS" or "the System"), a State-wide, cost-sharing, multiple-employer defined benefit public employee retirement plan governed by the State of Michigan. The System's pension plan was established by the State to provide retirement, survivor, and disability benefits to public school employees, and covers substantially all employees of the School District. There are currently approximately 690 participating employers in the System which meets the definition of a qualified pension trust fund under Section 401(a) of the Internal Revenue Code. In addition, the System maintains a health plan ("OPEB") which provides postemployment healthcare benefits to all eligible retirees as an elective option including health, prescription drug, dental, and vision coverage.

The System was originally created under Public Act 136 of 1945, recodified, and currently operates under the provisions of Public Act 300 of 1980, as amended. Section 25 of this Act establishes a governing board and its 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 is administered by the Office of Retirement Services within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State of Michigan Investment Board serves as the investment fiduciary and custodian for the System.

The System's financial statements are included as a pension and other employee benefit trust fund in the State of Michigan Annual Comprehensive Financial Report and are available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools). Information provided in this report includes financial data, actuarial assumptions data, and detailed information about the pension plan and OPEB plan fiduciary net positions.

**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. Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. Depending upon 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.

Based on current benefit provisions, new hires can opt between two plans. The first plan, called Pension Plus 2, is a hybrid plan that contains a pension component with a required employee contribution and a flexible and transferable defined contribution tax-deferred investment account component that contains a 50/50 cost share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 plan is 6%. The second option is a Defined Contribution plan under which a participant receives a 4% employer contribution to a tax-deferred 457 account and can choose to make employee contributions up to the maximum allowed per IRS regulations.

A DB member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account. A refund cancels a former member's right 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.

**Union City Community Schools**  
Notes to Financial Statements

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**Note 10 – Defined Benefit Pension Plan and Postemployment Benefits Other Than Pensions (Continued)**

**Organization (Continued)**

**OPEB 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 OPEB, 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 MPERS, who earned service credit in the twelve months ending September 3, 2012 or were on an approved professional service or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

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

**Pension/OPEB Plan Contributions** – Public Act 300 of 1980, as amended, requires contributions from both the participating employers and the active plan members. The School District, as a participating employer, is required to contribute amounts necessary to finance the coverage of pension and OPEB benefits of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature. Under these provisions, each school district's contribution is expected to finance the costs of benefits earned by employees (plan members) during the year, with an additional amount paid in to finance a portion of the unfunded actuarial accrued liability.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The normal cost is the annual cost assigned under the actuarial funding method to the current plan year. The remainder is called the actuarial accrued liability. The unfunded (overfunded) actuarial accrued liability will be amortized over a declining period ending September 30, 2038.

**Union City Community Schools**  
Notes to Financial Statements

**Note 10 – Defined Benefit Pension Plan and Postemployment Benefits Other Than Pensions (Continued)**

**Organization (Continued)**

**Pension Plan Contributions** – The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2023:

<u>Benefit Type</u>	<u>Member Rates</u>	<u>Status</u>
Basic (Defined Benefit)	0.0% - 4.0%	Closed
MIP (Defined Benefit)	3.0% - 7.0%	Closed
Pension Plus (Hybrid)	3.0% - 6.4%	Closed
Pension Plus 2 (Hybrid)	6.2%	Open
Defined Contribution	0.0%	Open

Employer contributions range from 13.75% to 20.16% for the plan year ended September 30, 2023 and are determined based on employee elections. The District's required and actual contributions to the pension plan for the year ended September 30, 2023 were \$2,315,950. The District's required and actual pension contributions include an allocation of \$1,104,361 in revenue received from the State of Michigan, and remitted to the System, to fund the MPSERS unfunded actuarial liability (UAAL) stabilization rate for the year ended September 30, 2023.

**OPEB Contributions** – OPEB employee contribution rates in effect for the fiscal year ended September 30, 2023 range from 0% - 3%. Employer contributions range from 0.00% to 8.07% for the plan year ended September 30, 2023 and are determined based on employee elections. Required contributions to the OPEB plan from the District were \$498,786 for the year ended September 30, 2023. The District's required and actual OPEB contributions include an allocation of \$0 in revenue received from the State of Michigan, and remitted to the System, to fund the MPSERS unfunded actuarial liability (UAAL) stabilization rate for the year ended September 30, 2023.

**Pension/OPEB Assets/Liabilities, Pension/OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions/OPEB**

**Proportionate Share of School District's Net Pension Liability** - At June 30, 2024, the District reported a liability of \$20,797,968 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2022. The District's proportionate share 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 statutorily required pension contributions from all applicable employers during the measurement period. At September 30, 2023, the District's proportionate share was .06425856 percent, an increase of .00200145 percent from its proportion measured as of September 30, 2022.

**Pension Expense** - For the year ended June 30, 2024, the School District recognized pension expense of \$2,746,565, inclusive of payments to fund the MPSERS UAAL stabilization rate.

**Proportionate Share of School District's Net OPEB Asset/Liability** - At June 30, 2024, the District reported an asset of \$362,213 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 30, 2022. The District's proportionate share of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the System during the measurement period by the percent of statutorily required OPEB contributions from all applicable employers during the measurement period.

**Union City Community Schools**  
Notes to Financial Statements

**Note 10 – Defined Benefit Pension Plan and Postemployment Benefits Other Than Pensions (Continued)**

**Pension/OPEB Assets/Liabilities, Pension/OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions/OPEB (Continued)**

**Proportionate Share of School District’s Net OPEB Asset/Liability** - At September 30, 2023, the District’s proportionate share was .06402933 percent, a decrease of .00041261 percent from its proportion measured as of September 30, 2022.

**OPEB Expense** - For the year ended June 30, 2024, the School District recognized OPEB benefit of \$648,715.

**Deferred Outflows and Deferred Inflows** - At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>Pension</u>	<u>OPEB</u>	<u>Pension</u>	<u>OPEB</u>
Difference between expected and actual experience	\$ 656,528	\$ -	\$ 31,859	\$2,737,067
Changes of assumptions	2,818,219	806,349	1,624,921	97,100
Net difference between projected and actual earnings on pension/OPEB plan investments	-	1,104	425,594	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,037,559	227,472	130,166	84,218
District contributions subsequent to the measurement date	<u>2,748,602</u>	<u>570,651</u>	<u>1,265,500</u>	<u>-</u>
Total	<u>\$7,260,908</u>	<u>\$1,605,576</u>	<u>\$3,478,040</u>	<u>\$2,918,385</u>

\$2,748,602 reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

\$570,651 reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as an increase/reduction of the net OPEB asset/liability in the year ended June 30, 2025.

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

<u>Year Ended</u> <u>June 30</u>	<u>Pension</u>	<u>OPEB</u>
2025	\$ 728,361	\$(660,230)
2026	675,581	(582,216)
2027	1,137,439	(191,093)
2028	(241,615)	(185,158)
2029	-	(171,527)
Thereafter	-	(93,236)

**Union City Community Schools**  
Notes to Financial Statements

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**Note 10 – Defined Benefit Pension Plan and Postemployment Benefits Other Than Pensions (Continued)**

**Pension/OPEB Assets/Liabilities, Pension/OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions/OPEB (Continued)**

**Payables to the Pension/OPEB Plan** - The District reported an accrued pension/OPEB plan payable at June 30, 2024 of \$138,372. This amount represents employee withholdings and the employer amount payable for wages earned at June 30, 2024 but not yet paid. The District is current on all required pension and OPEB plan payments. Amounts accrued at year-end include current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due from State Revenue Section 147c restricted to fund the MPSERS unfunded actuarial accrued liability (UAAL).

**Actuarial Assumptions**

**Actuarial Valuations and 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.

A summary of actuarial assumptions as of the latest actuarial valuation follows:

Valuation date	September 30, 2022
Actuarial cost method	Entry age, normal
Asset valuation method	Fair value
Wage inflation rate	2.75%
Investment rate of return:	
MIP and Basic plans	6.00%, net of investment expenses
Pension Plus Plan and Plus 2 Plan	6.00%, net of investment expenses
OPEB	6.00%, net of investment expenses
Projected salary increases	2.75 – 11.55%, including wage inflation at 2.75%
Healthcare cost trend rate	Pre-65: 7.50% Year 1 graded to 3.5% Year 15 Post-65: 6.25% Year 1 graded to 3.5% Year 15
Cost of living pension adjustments	3.0% annual non-compounded for MIP members
Mortality: Retirees:	PubT-2010 Male and Female Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Active Members:	PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Disabled Retirees:	PubNS-2010 Male and Female Disabled Retiree Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

**Union City Community Schools**  
Notes to Financial Statements

**Note 10 – Defined Benefit Pension Plan and Postemployment Benefits Other Than Pensions (Continued)**

**Actuarial Assumptions (Continued)**

Other Assumptions (OPEB) – applies to individuals hired before September 4, 2012:

Opt-Out Assumption	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage	80% of male retirees and 67% of female retirees are assumed to have 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.

Additional assumptions include the following:

- Assumption changes as a result of an experience study for the periods 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension/OPEB asset/liability as of September 30, 2023 is based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years – 4.4406 for pension plan employers and 6.5099 for OPEB plan employers.
- Recognition period for assets in years is 5.0000.
- Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Long-Term Expected Rate of Return on Plan Assets** – The long-term expected rate of return on pension/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 pension/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 pension/OPEB plan's target asset allocation as of September 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic equity pools	25.0%	5.8%
Private equity pools	16.0%	9.6%
International equity pools	15.0%	6.8%
Fixed income pools	13.0%	1.3%
Real estate and infrastructure pools	10.0%	6.4%
Absolute return pools	9.0%	4.8%
Real return/opportunistic pools	10.0%	7.3%
Short-term investment pools	2.0%	0.3%
Total	<u>100.0%</u>	

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

**Union City Community Schools**  
Notes to Financial Statements

**Note 10 – Defined Benefit Pension Plan and Postemployment Benefits Other Than Pensions (Continued)**

**Actuarial Assumptions (Continued)**

**Rate of Return** – For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension/OPEB plan investments, net of pension/OPEB plan investment expense, was 8.29% and 7.94%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Discount Rate** – A discount rate of 6.00% was used to measure the total pension and OPEB assets/liabilities. This discount rate was based on the long-term expected rates of return on pension and OPEB plan investments of 6.00%.

The projection of cash flows used to determine these discount rates assumed that plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on these assumptions, the pension/OPEB plans' 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/OPEB plan investments was applied to all periods of projected benefits payments to determine the total pension/OPEB assets/liabilities.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability calculated using a discount rate of 6.00% 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 one percentage point lower or one percentage point higher than the current rate:

1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
<u>\$28,097,994</u>	<u>\$20,797,968</u>	<u>\$14,720,433</u>

**Sensitivity of the Net OPEB (Asset)/Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net OPEB (asset)/liability calculated using the discount rate of 6.00%, as well as what the District's proportionate share of the net OPEB (asset)/liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
<u>\$375,506</u>	<u>(\$362,213)</u>	<u>(\$996,210)</u>

**Union City Community Schools**  
Notes to Financial Statements

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**Note 10 – Defined Benefit Pension Plan and Postemployment Benefits Other Than Pensions (Continued)**

**Actuarial Assumptions (Continued)**

**Sensitivity of the Net OPEB (Asset)/Liability to Changes in the Healthcare Cost Trend Rate**

- The following presents the School District's proportionate share of the net OPEB (asset)/liability calculated using the assumed healthcare cost trend rates, as well as what the District's proportionate share of the net OPEB (asset)/liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
<u>(\$997,791)</u>	<u>(\$362,213)</u>	<u>\$325,691</u>

**Note 11 – Federal and State Grants**

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements would not be material.

**Note 12 – Risk Management**

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

The School District has purchased commercial insurance for other risks of loss, including property and casualty, errors and omissions, fleet, and employee health and accident insurance. Settled claims relating to the commercial insurance did not exceed the amount of insurance coverage in any of the past three fiscal years.

**Note 13 – Commitments**

At June 30, 2024, two renovation projects were in progress, one to upgrade the high school bleachers, and one to renovate the track. Commitments for these two projects totaled approximately \$520,000 at year-end. The costs for these projects will be funded with sinking fund property taxes.

## **Required Supplementary Information**

**Union City Community Schools**  
 Budegetary Comparison Schedule - General Fund  
 Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Local sources	\$ 1,400,899	\$ 1,579,142	\$ 1,534,832	\$ (44,310)
State sources	10,233,145	11,013,071	11,056,872	43,801
Federal sources	399,480	429,825	1,194,455	764,630
Interdistrict and other	443,371	981,931	839,557	(142,374)
Total revenues	<u>12,476,895</u>	<u>14,003,969</u>	<u>14,625,716</u>	<u>621,747</u>
<b>Expenditures:</b>				
Instruction:				
Basic programs	5,958,739	6,656,658	6,621,483	35,175
Added needs	1,852,629	2,050,689	2,036,940	13,749
Support services:				
Pupil	698,009	766,998	739,572	27,426
Instructional staff	197,716	230,309	248,574	(18,265)
General administration	393,140	403,111	410,240	(7,129)
School administration	747,304	752,476	759,579	(7,103)
Business	323,073	336,624	357,944	(21,320)
Operation & maintenance	1,134,699	1,202,951	1,215,606	(12,655)
Pupil transportation	766,774	852,799	865,662	(12,863)
Central services	186,696	207,059	201,681	5,378
Athletic activities	531,701	564,915	564,898	17
Community activities	5,200	6,200	5,715	485
Debt service:				
Principal	58,975	35,975	35,975	-
Interest and other charges	551	551	550	1
Capital outlay	-	-	537,735	(537,735)
Total expenditures	<u>12,855,206</u>	<u>14,067,315</u>	<u>14,602,154</u>	<u>(534,839)</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(378,311)</u>	<u>(63,346)</u>	<u>23,562</u>	<u>86,908</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	32,000	32,000	40,075	8,075
Total other financing sources (uses)	<u>32,000</u>	<u>32,000</u>	<u>40,075</u>	<u>8,075</u>
<b>Net Changes in Fund Balances</b>	<u>(346,311)</u>	<u>(31,346)</u>	<u>63,637</u>	<u>\$ 94,983</u>
<b>Fund Balances - Beginning of Year</b>	<u>1,931,550</u>	<u>1,931,550</u>	<u>1,931,550</u>	
<b>Fund Balances - End of Year</b>	<u>\$ 1,585,239</u>	<u>\$ 1,900,204</u>	<u>\$ 1,995,187</u>	

See Independent Auditors' Report.

**Union City Community Schools**

Schedule of the District's Proportionate Share of the Net Pension Liability of the MPSERS Plan  
Last Ten Fiscal Years (Amounts Determined Each Year as of September 30)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of net pension liability (%)	<u>0.0643%</u>	<u>0.0623%</u>	<u>0.0588%</u>	<u>0.0594%</u>	<u>0.0613%</u>	<u>0.0635%</u>	<u>0.0638%</u>	<u>0.0639%</u>	<u>0.0646%</u>	<u>0.0629%</u>
District's proportionate share of net pension liability	<u>20,797,968</u>	<u>23,414,102</u>	<u>13,915,645</u>	<u>20,388,645</u>	<u>\$ 20,308,381</u>	<u>\$ 19,087,392</u>	<u>\$ 16,523,989</u>	<u>\$ 15,953,727</u>	<u>\$ 15,774,476</u>	<u>\$ 13,853,014</u>
District's covered-employee payroll	<u>\$ 6,398,085</u>	<u>\$ 6,252,728</u>	<u>\$ 5,328,155</u>	<u>\$ 5,201,950</u>	<u>\$ 5,225,163</u>	<u>\$ 5,365,512</u>	<u>\$ 5,323,821</u>	<u>\$ 5,374,322</u>	<u>\$ 5,527,496</u>	<u>\$ 5,477,548</u>
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	<u>325.07%</u>	<u>374.46%</u>	<u>261.17%</u>	<u>391.94%</u>	<u>388.67%</u>	<u>355.74%</u>	<u>310.38%</u>	<u>296.85%</u>	<u>285.38%</u>	<u>252.91%</u>
Plan fiduciary net position as a percentage of total pension liability	<u>65.91%</u>	<u>60.77%</u>	<u>72.60%</u>	<u>59.72%</u>	<u>60.31%</u>	<u>62.36%</u>	<u>64.21%</u>	<u>63.27%</u>	<u>63.17%</u>	<u>66.20%</u>

**Union City Community Schools**  
Schedule of the District's Pension Contributions to the MPSERS Plan  
Last Ten Fiscal Years (Amounts Determined Each Year as of June 30)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 2,660,980	\$ 2,118,975	\$ 2,061,907	\$ 1,754,276	\$ 1,595,221	\$ 1,728,951	\$ 1,485,899	\$ 1,435,916	\$ 1,245,895	\$ 976,758
Contributions in relation to statutorily required contributions	<u>2,660,980</u>	<u>2,118,975</u>	<u>2,061,907</u>	<u>1,754,276</u>	<u>1,595,221</u>	<u>1,728,951</u>	<u>1,485,899</u>	<u>1,435,916</u>	<u>1,245,895</u>	<u>976,758</u>
Contribution deficiency (excess)	<u>\$ -</u>									
District's covered-employee payroll	<u>\$ 6,691,570</u>	<u>\$ 6,319,833</u>	<u>\$ 5,866,579</u>	<u>\$ 5,234,177</u>	<u>\$ 5,196,790</u>	<u>\$ 5,208,683</u>	<u>\$ 5,413,302</u>	<u>\$ 5,609,322</u>	<u>\$ 5,505,269</u>	<u>\$ 5,504,958</u>
Contributions as a percentage of covered-employee payroll	<u>39.77%</u>	<u>33.53%</u>	<u>35.15%</u>	<u>33.52%</u>	<u>30.70%</u>	<u>33.19%</u>	<u>27.45%</u>	<u>25.60%</u>	<u>22.63%</u>	<u>17.74%</u>

**Union City Community Schools**  
Schedule of the District's Proportionate Share of the Net OPEB (Asset) Liability of the MPSERS Plan  
Last Seven Fiscal Years (Amounts Determined Each Year as of September 30)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of net OPEB (asset) liability (%)	<u>0.0640%</u>	<u>0.0644%</u>	<u>0.0592%</u>	<u>0.0589%</u>	<u>0.0599%</u>	<u>0.0631%</u>	<u>0.0636%</u>
District's proportionate share of net OPEB (asset) liability	<u>\$ (362,213)</u>	<u>\$ 1,364,921</u>	<u>\$ 904,142</u>	<u>\$ 3,154,475</u>	<u>\$ 4,302,976</u>	<u>\$ 5,015,863</u>	<u>\$ 5,636,159</u>
District's covered-employee payroll	<u>\$ 6,398,085</u>	<u>\$ 6,252,728</u>	<u>\$ 5,328,155</u>	<u>\$ 5,201,950</u>	<u>\$ 5,225,163</u>	<u>\$ 5,365,512</u>	<u>\$ 5,323,821</u>
District's proportionate share of net OPEB (asset) liability as a percentage of its covered-employee payroll	<u>-5.66%</u>	<u>21.83%</u>	<u>16.97%</u>	<u>60.64%</u>	<u>82.35%</u>	<u>93.48%</u>	<u>105.87%</u>
Plan fiduciary net position as a percentage of total OPEB (asset) liability	<u>105.04%</u>	<u>83.09%</u>	<u>87.33%</u>	<u>59.44%</u>	<u>48.46%</u>	<u>42.95%</u>	<u>36.39%</u>

**Union City Community Schools**  
 Schedule of the District's OPEB Contributions to the MPSERS Plan  
 Last Seven Fiscal Years (Amounts Determined Each Year as of June 30)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required OPEB contributions	\$ 532,678	\$ 490,876	\$ 468,208	\$ 430,117	\$ 424,528	\$ 409,586	\$ 495,511
OPEB contributions in relation to statutorily required contributions	<u>532,678</u>	<u>490,876</u>	<u>468,208</u>	<u>430,117</u>	<u>424,528</u>	<u>409,586</u>	<u>495,511</u>
Contribution deficiency (excess)	<u>\$ -</u>						
District's covered-employee payroll (OPEB)	<u>\$ 6,691,570</u>	<u>\$ 6,319,833</u>	<u>\$ 5,866,579</u>	<u>\$ 5,234,177</u>	<u>\$ 5,196,790</u>	<u>\$ 5,208,683</u>	<u>\$ 5,413,302</u>
OPEB contributions as a percentage of covered-employee payroll	<u>7.96%</u>	<u>7.77%</u>	<u>7.98%</u>	<u>8.22%</u>	<u>8.17%</u>	<u>7.86%</u>	<u>9.15%</u>

## Union City Community Schools

Notes to Required Supplementary Information Pension and OPEB Schedules  
Year Ended June 30, 2024

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**Changes of Benefit Terms:** There were no changes of benefit terms in fiscal year 2023.

**Changes of Assumptions:** For the State's fiscal year ended September 30, 2023:

The recognition period for liabilities, an average of the expected remaining service lives of all employees, changed to 4.4406 from 4.3922 for pension plan employers and to 6.5099 from 6.2250 for OPEB plan employers.

The healthcare cost trend rate was adjusted as follows:

Pre-65: From 7.75% to 7.50% for Year 1

Post-65: From 5.25% to 6.25% for Year 1

The mortality assumptions were adjusted by updates to the Mortality Tables from RP-2014 to Pub-2010 for the three mortality categories - retirees, active members, and disabled retirees.

The experience study applied in the annual pension and OPEB valuations was updated from using the periods 2012 - 2017 to using the periods 2017 - 2022 starting with the September 30, 2023 valuation.

## **Other Supplementary Information**

**Union City Community Schools**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024

	Special Revenue Funds		Debt Fund	Total Nonmajor
	Food Service Fund	Student Activities Fund	2023 Bond Debt Fund	Governmental Funds
<b><u>Assets</u></b>				
Cash and investments	\$ 34,760	\$ 155,127	\$ 110	\$ 189,997
Inventories	5,456	-	-	5,456
Total assets	<u>\$ 40,216</u>	<u>\$ 155,127</u>	<u>\$ 110</u>	<u>\$ 195,453</u>
<b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities:</b>				
Due to other funds	\$ 26,638	\$ -	\$ -	\$ 26,638
Total liabilities	<u>26,638</u>	<u>-</u>	<u>-</u>	<u>26,638</u>
<b>Fund Balances:</b>				
Nonspendable:				
Inventories	5,456	-	-	5,456
Restricted	8,122	155,127	110	163,359
Total fund balances	<u>13,578</u>	<u>155,127</u>	<u>110</u>	<u>168,815</u>
Total liabilities and fund balances	<u>\$ 40,216</u>	<u>\$ 155,127</u>	<u>\$ 110</u>	<u>\$ 195,453</u>

See Notes to Financial Statements.

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

	<u>Special Revenue Funds</u>		<u>Debt Fund</u>	<u>Total Nonmajor</u>
	<u>Food Service</u>	<u>Student</u>	<u>2023 Bond</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Activities Fund</u>	<u>Debt Fund</u>	<u>Funds</u>
<b>Revenues:</b>				
Local sources	\$ 39,987	\$ 130,404	\$ -	\$ 170,391
State sources	137,976	-	-	137,976
Federal sources	600,235	-	-	600,235
Interdistrict and other	-	-	72	72
Total revenues	<u>778,198</u>	<u>130,404</u>	<u>72</u>	<u>908,674</u>
<b>Expenditures:</b>				
Food service activities	794,200	-	-	794,200
Student activities	-	110,471	-	110,471
Debt service:				
Principal	-	-	310,000	310,000
Interest	-	-	65,962	65,962
Total expenditures	<u>794,200</u>	<u>110,471</u>	<u>375,962</u>	<u>1,280,633</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(16,002)</u>	<u>19,933</u>	<u>(375,890)</u>	<u>(371,959)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	376,000	376,000
Transfers out	<u>(40,075)</u>	<u>-</u>	<u>-</u>	<u>(40,075)</u>
Net other financing sources (uses)	<u>(40,075)</u>	<u>-</u>	<u>376,000</u>	<u>335,925</u>
<b>Net Changes in Fund Balances</b>	(56,077)	19,933	110	(36,034)
<b>Fund Balances - Beginning of Year</b>	<u>69,655</u>	<u>135,194</u>	<u>-</u>	<u>204,849</u>
<b>Fund Balances - End of Year</b>	<u>\$ 13,578</u>	<u>\$ 155,127</u>	<u>\$ 110</u>	<u>\$ 168,815</u>

See Notes to Financial Statements.

# **Union City Community Schools**

Single Audit Report

Year Ended June 30, 2024

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**WILLIS & JURASEK**

CPAs AND CONSULTANTS

**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***

Board of Education  
Union City Community Schools  
Union City, 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 Union City Community Schools as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Union City Community Schools' basic financial statements, and have issued our report thereon dated October 3, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

As part of obtaining reasonable assurance about whether Union City Community Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

## **Union City Community Schools' Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Union City Community Schools' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Union City Community Schools' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

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

*Willis & Jurasek, P.C.*

Willis & Jurasek, P.C.

October 3, 2024



**WILLIS & JURASEK**  
CPAS AND CONSULTANTS

**Independent Auditors' Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Education  
Union City Community Schools  
Union City, Michigan

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Union City Community Schools' compliance based on our audit.

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

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

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union City Community Schools as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise Union City Community Schools' basic financial statements. We issued our report thereon dated September 15, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

*Willis & Jurasek, P.C.*

Willis & Jurasek, P.C.

October 3, 2024

**Union City Community Schools**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Award/Grant Entitlement Program Amount</u>	<u>Accrued (Deferred) Revenue 7/1/2023</u>	<u>Prior Year Expenditures (Memorandum Only)</u>	<u>Prior Year Adjustments</u>	<u>Current Year Receipts</u>	<u>Current Year Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/2024</u>
<b><u>U.S. Department of Agriculture</u></b>									
Child Nutrition Cluster:									
Passed through Michigan Department of Education:									
Non-cash Assistance (Commodities):									
National School Lunch Program - Regular	10.555		\$ 45,211	\$ -	\$ -	\$ -	\$ 45,211	\$ 45,211	\$ -
			<u>45,211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,211</u>	<u>45,211</u>	<u>-</u>
Cash Assistance:									
National School Lunch Program	10.555	231960	370,118	-	317,641	-	52,477	52,477	-
National School Lunch Program	10.555	240910	25,718	-	-	-	25,718	25,718	-
National School Lunch Program	10.555	241960	304,454	-	-	-	304,454	304,454	-
			<u>700,290</u>	<u>-</u>	<u>317,641</u>	<u>-</u>	<u>382,649</u>	<u>382,649</u>	<u>-</u>
Total National School Lunch Program			<u>745,501</u>	<u>-</u>	<u>317,641</u>	<u>-</u>	<u>427,860</u>	<u>427,860</u>	<u>-</u>
School Breakfast Program	10.553	231970	152,389	-	132,161	-	20,228	20,228	-
School Breakfast Program	10.553	241970	123,587	-	-	-	123,587	123,587	-
			<u>275,976</u>	<u>-</u>	<u>132,161</u>	<u>-</u>	<u>143,815</u>	<u>143,815</u>	<u>-</u>
Total Cash Assistance			<u>976,266</u>	<u>-</u>	<u>449,802</u>	<u>-</u>	<u>526,464</u>	<u>526,464</u>	<u>-</u>
Total Child Nutrition Cluster			<u>1,021,477</u>	<u>-</u>	<u>449,802</u>	<u>-</u>	<u>571,675</u>	<u>571,675</u>	<u>-</u>
Local Food For Schools	10.185	230985-2023	204	1,416	-	(1,416)	204	204	-
Local Food For Schools	10.185	230985-2024	3,356	-	-	-	3,356	3,356	-
			<u>3,560</u>	<u>1,416</u>	<u>-</u>	<u>(1,416)</u>	<u>3,560</u>	<u>3,560</u>	<u>-</u>
Food Equipment Assistance Grant	10.579	221991-EAG24	25,000	-	-	-	25,000	25,000	-
			<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,050,037</u>	<u>1,416</u>	<u>449,802</u>	<u>(1,416)</u>	<u>600,235</u>	<u>600,235</u>	<u>-</u>

**Union City Community Schools**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Award/Grant Entitlement Program Amount</u>	<u>Accrued (Deferred) Revenue 7/1/2023</u>	<u>Prior Year Expenditures (Memorandum Only)</u>	<u>Prior Year Adjustments</u>	<u>Current Year Receipts</u>	<u>Current Year Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/2024</u>
<b><u>U.S. Department of Education:</u></b>									
Passed through Michigan Department of Education:									
Title I Grants to Local Educational Agencies	84.010	231530-2223	257,410	254,209	254,209	-	254,209	-	-
Title I Grants to Local Educational Agencies	84.010	241530-2324	<u>231,298</u>	-	-	-	<u>231,119</u>	<u>231,119</u>	-
			<u>488,708</u>	<u>254,209</u>	<u>254,209</u>	-	<u>485,328</u>	<u>231,119</u>	-
Supporting Effective Instruction State Grants	84.367	230520-2223	39,517	39,517	39,517	-	39,517	-	-
Supporting Effective Instruction State Grants	84.367	240520-2324	<u>30,241</u>	-	-	-	<u>30,241</u>	<u>30,241</u>	-
			<u>69,758</u>	<u>39,517</u>	<u>39,517</u>	-	<u>69,758</u>	<u>30,241</u>	-
Student Support and Academic Enrichment	84.424A	230750-2223	17,085	15,115	15,115	-	15,115	-	-
Student Support and Academic Enrichment	84.424A	240750-2324	<u>20,816</u>	-	-	-	<u>20,816</u>	<u>20,816</u>	-
			<u>37,901</u>	<u>15,115</u>	<u>15,115</u>	-	<u>35,931</u>	<u>20,816</u>	-
Education Stabilization Fund:									
COVID-19 Governor's Emergency Education Relief Fund (ESSER II - 98c Learning Loss)	84.425D	213782-2223	50,105	50,105	-	-	50,105	-	-
COVID-19 Governor's Emergency Education Relief Fund (ESSER III Formula Funds)	84.425U	213713-2122	<u>1,820,522</u>	<u>727,156</u>	<u>727,156</u>	-	<u>1,231,965</u>	<u>652,279</u>	<u>147,470</u>
			<u>1,870,627</u>	<u>777,261</u>	<u>727,156</u>	-	<u>1,282,070</u>	<u>652,279</u>	<u>147,470</u>
Total passed through Michigan Department of Education			<u>2,466,994</u>	<u>1,086,102</u>	<u>1,035,997</u>	-	<u>1,873,087</u>	<u>934,455</u>	<u>147,470</u>
Total U.S. Department of Education			<u>2,466,994</u>	<u>1,086,102</u>	<u>1,035,997</u>	-	<u>1,873,087</u>	<u>934,455</u>	<u>147,470</u>
<b><u>Federal Communications Commission</u></b>									
ARPA Emergency Connectivity Fund	32.009	N/A	<u>260,000</u>	-	-	-	<u>260,000</u>	<u>260,000</u>	-
Total Federal Communications Commission			<u>260,000</u>	-	-	-	<u>260,000</u>	<u>260,000</u>	-
			<u>\$ 3,777,031</u>	<u>\$ 1,087,518</u>	<u>\$ 1,485,799</u>	<u>\$ (1,416)</u>	<u>\$ 2,733,322</u>	<u>\$ 1,794,690</u>	<u>\$ 147,470</u>

**Union City Community Schools**  
Schedule of Reconciliation of Revenues with  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

	<u>Amount</u>
Revenue from Federal sources - per financial statements (includes all funds)	\$ <u>1,794,690</u>
Federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u>1,794,690</u>

**Union City Community Schools**  
Notes to Schedule of Expenditures of Federal Awards

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Union City Community Schools' (the "District") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Union City Community Schools, it is not intended to and does not present the financial position or changes in net position of the District.

**Note 2 – Summary of Significant Explanations of Schedule**

Expenditures reported in 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, wherein certain types of expenditures are not allowable or 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. Revenue is recognized when the qualifying expenditures have been included 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 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 on the Grant Auditor Report reconcile with this Schedule with any differences being timing issues of when cash was received. The amounts reported on the Recipient Entitlement Balance (PAL) Report agree with this Schedule for USDA donated food commodities and the expenditures include any spoilage or pilferage.

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 Section 200.414 of the Uniform Guidance.

**Note 3 – Subrecipients**

No federal awards were passed through the District to any subrecipients during the year.

**Union City Community Schools**  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2024

**Section I – Summary of Auditors’ Results**

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	_____ yes <u>  X  </u> no
Significant deficiencies identified that are not considered to be material weaknesses	_____ yes <u>  X  </u> none reported
Noncompliance material to financial statements noted	<u>  X  </u> yes _____ no

Federal Awards

Internal control over major programs:	
Material weakness identified	_____ yes <u>  X  </u> no
Significant deficiencies identified that are not considered to be material weaknesses	_____ yes <u>  X  </u> none reported

Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	_____ yes <u>  X  </u> no

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
84.425	Education Stabilization Fund
10.555/10.553	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	<u>  \$ 750,000  </u>
--	-----------------------

Auditee qualified as low-risk	_____ yes <u>  X  </u> no
-------------------------------	---------------------------

**Section II – Financial Statement Audit Findings**

**2024-001 – Budget Overage**

Criteria or Specific Requirement: It is management’s responsibility to implement adequate controls over compliance with the budget approved by the governing body.

Condition: As noted in the supplementary information of the audit report, there were several functions where actual expenditures exceeded the approved budget.

Cause and Effect: The final adopted budget was not sufficient to cover the expenditures of the District so the District was out of compliance with the Uniform Budget and Accounting Act.

**Union City Community Schools**  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2024

**Section II – Financial Statement Findings (Continued)**

**2024-001 – Budget Overage**

Recommendation: We recommend management review control procedures in these areas to ensure the District's budget is sufficient to cover any year-end adjustments and that approved expenditures do not exceed approved amounts.

Views of Responsible Officials and Planned Corrective Action: We will review our procedures over the budget process to ensure compliance with the Uniform Budget and Accounting Act.

**Section III – Federal Program Audit Findings**

None

**Union City Community Schools**  
Comments on Resolution of Findings from June 30, 2023  
Single Audit Report

**Financial Statement Audit Findings:**

**2023-001 – Material Adjustment**

Criteria or Specific Requirement: It is management's responsibility to prepare the financial statements in accordance with generally accepted accounting principles (GAAP).

Condition: During the course of the audit, a material adjustment was proposed that had a significant impact on the financial statements.

Cause and Effect: An adjustment was incorrectly booked by the District and a correcting entry was necessary to properly reflect the financial activity of the District.

Recommendation: We recommend management review control procedures in these areas to determine the financial activity reported accurately reflects the results of the District.

Views of Responsible Officials and Planned Corrective Action: We will review our procedures over financial statement review to ensure accuracy of the financial activity reported.

Status: This finding has been corrected in the current year.

**2023-002 – Budget Overage**

Criteria or Specific Requirement: It is management's responsibility to implement adequate controls over compliance with the budget approved by the governing body.

Condition: As noted in the supplementary information of the audit report, there were several functions where actual expenditures exceeded the approved budget.

Cause and Effect: The final adopted budget was not sufficient to cover the expenditures of the District so the District was out of compliance with the Uniform Budget and Accounting Act.

Recommendation: We recommend management review control procedures in these areas to ensure the District's budget is sufficient to cover any year-end adjustments and that approved expenditures do not exceed approved amounts.

Views of Responsible Officials and Planned Corrective Action: We will review our procedures over the budget process to ensure compliance with the Uniform Budget and Accounting Act.

Status: This is a continued finding in the current year.

**Federal Program Audit Findings:**

None reported

*“Striving For Excellence In Everything We Do”*

**Union City Community Schools**

430 St. Joseph Street  
Union City, MI 49094  
Ph: 517-741-8091  
Fax: 517-741-5205

**Corrective Action Plan**

Fiscal Year 2023-2024

Contact Person: Sara Leson (517) 741-3301

**Finding 2024-001 – Budget Overage**

**Criteria or Specific Requirement:** It is management’s responsibility implement adequate controls over compliance with the budget approved by the governing body.

**Condition:** As noted in the supplementary information of the audit report, there were several functions where actual expenditures exceeded the approved budget.

**Cause and Effect:** The final adopted budget was not sufficient to cover the expenditures of the District so the District was out of compliance with the Uniform Budget and Accounting Act.

**Recommendation:** We recommend the management review control procedures in these areas to ensure the District’s budget is sufficient to cover any year-end adjustments and that the approved expenditures do not exceed approved amounts.

**Views of Responsible Officials and Planned Corrective Action:** We will review our procedures over the budget process to ensure compliance with the Uniform Budget and Accounting Act. We will also complete a final review of all the information included in the budget to make sure everything is included. We expect this situation to be corrected going forward beginning with the June 30, 2025 year.

	9/30/2024 Begin. Cash on Hand:	\$1,449,573		Total of Bills:	1,292,197
	Total Receipts:	\$1,266,344		Total Net Payroll:	367,786
	Total Expenditures:	\$1,659,983		Total Bills and Payroll	\$1,659,983
	10/31/2024 Total Cash on Hand:	\$1,055,935		to be Approved:	

UNION CITY COMMUNITY SCHOOLS - TREASURER'S REPORT STATUS OF GENERAL, DEBT RETIREMENT, FOOD SERVICE, TRUST & AGENCY, AND SINKING FUNDS AS OF OCTOBER 31, 2024			UNION CITY COMMUNITY SCHOOLS - TREASURER'S REPORT STATUS OF GENERAL, DEBT RETIREMENT, FOOD SERVICE, TRUST & AGENCY, AND SINKING FUNDS AS OF OCTOBER , 2023		
<b>Current Year</b>			<b>Prior Year</b>		
Balance as of 9/30/2024			Balance as of 9/30/2023		
General Fund Cash Accounts	699,298		General Fund Cash Accounts	795,766	
Food Service Checking Accounts	14,529		Food Service Checking Accounts	22,104	
Trust & Agency Checking Accounts***	152,986		Trust & Agency Checking Accounts***	137,456	
SF Cash	582,760		SF Cash	2,323,877	
2023 Bond Account	110		Total Cash On Hand	3,279,203	
Total Cash On Hand	\$1,449,573				
<b>Current Month Activities</b>			<b>Prior Year-Current Month Activities</b>		
			<b>YTD Activities</b>		
General Fund Revenue	1,195,052	5,045,454	General Fund Revenue	1,241,659	
Food Service Revenue	55,893	98,441	Food Service Revenue	53,265	
Trust & Agency Revenue	n/a	16,968	Trust & Agency Revenue	14,950	
SF Revenue	449	3,170	SF Revenue	2,412	
2023 Bond Revenue	33,210	33,210	Total Revenue	1,312,285	
Total Revenue	\$1,251,395	5,164,033			
General Fund Expenses	924,796	5,486,698	General Fund Expenses	836,196	
Net Payroll	367,786	1,426,107	Net Payroll	360,739	
Food Service Expenses	41,499	104,043	Food Service Expenses	51,386	
Trust & Agency Expenses	n/a	19,108	Trust & Agency Expenses	6,090	
SF Expenses	319,812.70	835,388	SF Expenses	303,757.12	
2023 Bond Expense	33,231.25	33,231	Total Expenses	1,558,168	
Total Expenses	\$1,653,893	7,871,345			
Balance as of 10/31/2024			Balance as of 10/31/2023		
General Fund Cash Accounts	601,768		General Fund Cash Accounts	840,489	
Food Service Checking Accounts	28,924		Food Service Checking Accounts	23,983	
Trust & Agency Checking Accounts***	152,986		Trust & Agency Checking Accounts***	146,316	
SF Cash	263,397		SF Cash	2,022,532	
2023 Bond Account	88		Total Cash On Hand	3,033,320	
Total Cash On Hand	\$1,047,075				

**Union City Community Schools**  
 General Fund Statement of Revenue and Expenditure Compared to Budget  
 For Period Ending October 31, 2024

	YTD ACTIVITY	CURRENT BUDGET	VARIANCE	PERCENT OF BUDGET	
<b>REVENUE</b>					
Local Sources	98,893	\$ 1,471,676	(1,372,783)	6.72%	
State Sources	801,102	10,741,399	(9,940,297)	7.46%	
Federal Sources	21,540	277,183	(255,643)	7.77%	
Other Financing Sources	0	648,000	(648,000)	0.00%	
		32,000			
<b>TOTAL REVENUE</b>	<b>921,534</b>	<b>13,170,258</b>	<b>(12,216,724)</b>		
<b>EXPENDITURES</b>					
<b>INSTRUCTION</b>					
Basic Program	2,140,965	5,945,136	3,804,171	36.01%	
Added Needs	513,887	2,105,358	1,591,471	24.41%	
<b>Total Instruction</b>	<b>2,654,851</b>	<b>8,050,494</b>	<b>5,395,643</b>		
<b>SUPPORT SERVICE EXPENSE</b>					
Pupil	239,269	713,208	473,939	33.55%	
Improvement Instructional Staff	121,678	236,756	115,078	51.39%	Software Subscriptions paid at beginning of year
General Administration	165,716	462,757	297,041	35.81%	
School Administration	231,002	761,681	530,679	30.33%	
Fiscal Services	112,838	340,501	227,663	33.14%	
Operation & Maintenance	605,484	1,185,295	579,811	51.08%	District Security Updates-Covered by grants
Transportation	217,895	697,525	479,630	31.24%	
Central Support	94,180.90	205,626	111,445	45.80%	Pupil Actcing Software renewal
Athletics	160,812	565,720	404,908	28.43%	
Community Services	792	6,200	5,408	12.77%	
Payments to Other Govt Units	647		(647)	0.00%	
Site Improvement Services	0		0	0.00%	
Prior Period Adjustments	0		0	0.00%	
Debt Service	35,975	36,342	367	0.00%	
Fund Modification to Food Service	0	0	0	0.00%	
<b>Total Support Services</b>	<b>1,986,288</b>	<b>5,211,611</b>	<b>2,703,841</b>		
<b>TOTAL EXPENDITURES</b>	<b>4,641,140</b>	<b>13,262,105</b>	<b>8,099,484</b>		
<b>EXCESS REVENUE (EXPENDITURES)</b>	<b>(\$3,719,605)</b>	<b>(\$91,847)</b>			
Non-spendable (inventory)	10,410	10,410			
Assigned (Capital Expenditures)	75,000	75,000			
Unassigned (Undesignated)	1,909,777	1,909,777			
<b>BEGINNING FUND BALANCE</b>	<b>1,995,187</b>	<b>1,995,187</b>			
<b>ENDING FUND BALANCE</b>	<b>(\$1,724,418)</b>	<b>\$1,903,340</b>			

FOOD SERVICE-October

**Union City Community Schools**

School Service Fund

Combined Statement of Revenue and Expenditures Compared to Budget

For The Peroid Ending

October 31, 2024

	<b>FOOD SERVICE</b>			
	<u>Actual</u>	<u>Proposed Budget</u>	<u>Variance</u>	<u>% of Budget</u>
<b><u>REVENUE:</u></b>				
Local Sources	6,168	\$ 47,000	\$40,833	13.12%
State Sources	2,004	120,000	117,996	1.67%
Federal Sources	73,973	509,000	435,027	14.53%
INCOMING TRANSFERS	0	0	0	
<b>TOTAL REVENUE</b>	<b>82,144</b>	<b>676,000</b>	<b>\$593,856</b>	
<b><u>EXPENDITURES:</u></b>				
Salaries	51,677	198,000	(146,323)	26.10%
Employee Benefits	27,278	118,450	(91,172)	23.03%
Purchased Services	426	15,640	(15,214)	2.72%
Supplies & Materials	97,738	285,000	(187,262)	34.29%
Capital Outlay	4,507	9,000	(4,493)	0.00%
Other Expense	320	800	(480)	39.98%
Other Transactions	0	32,882		
<b>TOTAL EXPENDITURES</b>	<b>181,945</b>	<b>659,772</b>	<b>(444,945)</b>	<b>0.00%</b>
OUTGOING TRANSFERS				
<b>TOTAL EXPENDITURES</b>	<b>181,945</b>	<b>659,772</b>	<b>(444,945)</b>	<b>0.00%</b>
<b>EXCESS REVENUE (EXPENDITURES)</b>	<b>(99,801)</b>	<b>16,228</b>		
<b>BEGINNING FUND BALANCE</b>	<b>13,578</b>	<b>13,578</b>		
<b>ENDING FUND BALANCE</b>	<b>(\$86,223)</b>	<b>\$29,806</b>		

October 28, 2024

Union City Community Schools  
Union City Board of Education  
Mrs. Jamie Thomas

To Whom It May Concern:

This is to inform you of my intention for retirement will be effective November 8, 2024.

It has been my extreme pleasure, for the last 37+ years, to be part of such a wonderful group of dedicated people and I will always cherish my memories keeping them close to my heart.

Respectfully submitted,



Jolene K. Boody



# **Union City Community Schools**

430 St. Joseph Street, Union City, MI 49094  
Ph: 517-741-3350  
Fax: 517-741-5205

**Deb Brauker**  
Transportation Supervisor  
dbrauker@unioncityschools.org

November 14, 2024

Dear Board of Education:

I am recommending Alicia Linnabary-Moore to be hired as a new bus driver. She has all the qualifications and very strong references. We have one full-time position open and Alicia will fill this position. In addition, the transportation department will benefit from her employment as she will be covering a full-time route.

Thank you for your consideration,

Deb Brauker  
Transportations Supervisor

**“Educating and Preparing Each Child for Their Future”**



## **UNION CITY ELEMENTARY SCHOOL**

601 Walnut Street  
Union City, MI 49094  
517-741-8191  
Fax:517-741-8415

Principal: Michael Bates

Secretary: Rhonda Reese

**November 14, 2024**

Dear Union City Community Schools Board of Education Members,

Please accept this letter as a formal recommendation for the hire of Jordyn Crance for the position of LRE Paraprofessional. We are excited to welcome Jordyn to our team in this impactful role.

Jordyn has gained experience working in the elementary school while student teaching through the Calhoun Area Career Center (CACCC). She has further developed her skills through her work with Community Unlimited. Her hands-on experience and dedication to supporting student learning make her a valuable addition to our staff.

Jordyn is passionate about helping children succeed and understands that each student learns differently. She believes it's essential that students feel cared for and valued, and she strives to provide that supportive environment. Her strong communication skills, adaptability, and empathy make her an ideal candidate for this role.

Again, it is with great pleasure that I recommend Jordyn Crance for the LRE Paraprofessional position. I am confident that her experience, dedication, and compassionate approach will make her an excellent addition to our Union City Elementary team.

Sincerely,

Mr. Michael Bates



November 8, 2024

Mr. Chris Katz  
Superintendent  
Union City Community Schools  
430 St. Joseph St  
Union City, MI

Re: Union City Community Schools Pre-Bond Services Letter of Intent

Dear Mr. Katz,

This letter is to document and establish the proposed relationship between C2AE ("Architect") and Union City Community Schools ("District") for pre-bond professional services related to a potential District bond project ("Project"). The Architect's pre-bond services shall be invoiced based on time and materials at zero profit margin. These invoices will be held by the client until after a successful vote or a second unsuccessful vote to the District, provided the Architect is retained to work on the Project when voters pass the bond Issue. If the Architect is not retained to provide services on the Project after a successful election, the Architect may charge its actual and reasonable costs for providing pre-bond services, not to exceed \$75,000.

The Architect's scope of pre-bond work will include:

1. Utilize engagement and feedback from district administration, staff, and community in preparation and modification of options.
2. Develop options to communicate potential bond scope to engage and allow staff and community to respond to potential scope items
3. Establish and manage timelines and critical milestones required for a ballot question.
4. Assist the Construction Manager with developing estimates of probable construction costs based on discussions about District programming requirements.
5. Assist in the preparation of the Michigan Department of Treasury prequalification application and participate in the prequalification meeting (If applicable).
6. Collaborate with the District's financial advisor and legal counsel throughout the development of a ballot Initiative.
7. Facilitate or assist with the District's informational campaign, including development and production of information materials for a bond proposal.
8. Perform other services necessary for the Project in the pre-bond phase that are reasonably understood to be within the scope of the Architect's duties.



At this time, the Project scope and cost are to be determined upon a successful bond election. The Architect's scope of services will be further governed by an Owner/Architect Agreement, which shall be premised on a modified draft of AIA contract document and general conditions document, based on mutually acceptable terms. If retained for the implementation of the Project, the Architect's total compensation shall be based on information determined during the pre-bond phase.

Nothing herein shall be deemed an obligation to alter the ability or authority of either the District or the Architect to terminate this Letter of Intent or any executed Agreement between the parties "at will" upon seven (7) days' written notice, which right is expressly reserved. Without limiting the breadth of the foregoing, the District is authorized to terminate the Project prior to commencement. In the event of any termination, the Architect shall be entitled to the actual and reasonable value of services, timely and properly performed to the date of termination, subject to the not-to-exceed amount referenced in the first paragraph.

Upon execution of this Letter of Intent, the District shall have an irrevocable, nonexclusive license and right to access and use, either directly or through a separate consultant, all data, documentation, designs, drawings, specifications, concepts, and other information created, assembled, or developed by the Architect or its consultants in furtherance of the Project, provided all invoices due have been paid.

Both parties acknowledge this Letter of Intent and agree to the details as outlined herein. The undersigned have the authority to execute this Letter of Intent and have ready and agree to comply with the above stated terms and conditions.

Sincerely,  
C2AE

Stevan J. Jurczuk, AIA, LEED AP  
Project Manager

Accepted by:

\_\_\_\_\_  
Union City Community Schools

\_\_\_\_\_  
Date



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

MICHAEL F. RICE, Ph.D.  
STATE SUPERINTENDENT

November 13, 2024

Mr. Chris Katz, Superintendent  
Union City Community Schools  
430 Saint Joseph st  
Union City, MI 49094

Dear Superintendent Katz:

The Michigan Department of Education (MDE) regrets to inform you that Union City Community Schools was not awarded the 2023-2024 Section 12c Consolidation Incentive Payments.

Questions regarding this grant program may be directed to Scott Addison, Office of Financial Management, by telephone at 517-335-0449 or by email at [addisons1@michigan.gov](mailto:addisons1@michigan.gov).

Sincerely,

A handwritten signature in cursive script that reads "Spencer J. Simmons".

Spencer Simmons  
Director, Office of Financial Management  
Michigan Department of Education

**STATE BOARD OF EDUCATION**

PAMELA PUGH – PRESIDENT • ELLEN COGEN LIPTON / TIFFANY D. TILLEY – CO-VICE PRESIDENTS  
JUDITH PRITCHETT – SECRETARY • MARSHALL BULLOCK II – TREASURER  
MITCHELL ROBINSON – NASBE DELEGATE • TOM MCMILLIN • NIKKI SNYDER

## MEMORANDUM

**TO:** CASB Delegates and Alternates  
Calhoun ISD and LEA Superintendents

**FROM:** Richard Lindsey, Jr., CASB President  
Dr. Terance Lunger, CISD Superintendent and CASB Executive Secretary

**DATE:** November 7, 2024

**RE:** 2024-2025 Award Nominations

The **Calhoun Association of School Boards Annual Awards Banquet** will be held on **Wednesday, April 30, 2025, at the Calhoun Area Career Center**, 475 E. Roosevelt Ave in Battle Creek. At this meeting, yearly awards and recognitions will be presented.

We are mailing the nomination form early to allow School Boards time for discussion and decision-making. The nomination procedures for the Citizen and Professional Awards are as follows:

1. Nominations for the Citizen and Professional Awards should be submitted through individual boards of education. Individual board members with nominations should submit these to their respective school boards for board action and the formal nomination procedure. The nominations (approved by the local school boards) should then be submitted to the CASB Executive Secretary. As you consider nominations, think about area citizens and professionals who have made significant educational contributions within the Calhoun ISD, many times behind the scenes. Examples include volunteers supporting area programs, community stakeholders who have supported area-wide education, and educators servicing the CISD area "above and beyond."
2. The Calhoun Association of School Boards' Board of Directors, as well as local boards of education, will also have the opportunity to make nominations for a Special Commendation Award. This award is applicable to groups or organizations other than those nominated for the Citizen and Professional Awards and often encompass a single contribution or contributions over time not yet recognized.
3. The Calhoun Association School Boards requests that the CASB Board of Directors (Delegates and Superintendents) make certain their respective board either makes a nomination or replies to the CASB Executive Secretary that no nomination will be forthcoming from their school district.
4. When considering nominees, those serving only one district or community may be more appropriately recognized locally. Additionally, years of service should be given appropriate consideration.
5. All nominees will be considered by the CASB Board of Directors.

Attached are the nomination forms as well as a list of previous award recipients. Please be sure to have your board of education finalize their nominations for submission at your **November, December, or January board meeting**. **Please return your nominations (or notice of no nomination) to Dr. Terance Lunger at the Calhoun Intermediate School District by 4:00 p.m. on Friday, January 31, 2025.**

## MEMORANDUM

**TO:** CASB Delegates and Alternates  
Calhoun ISD and LEA Superintendents

**FROM:** Richard Lindsey, Jr., CASB President  
Dr. Terance Lunger, CISD Superintendent and CASB Executive Secretary

**DATE:** November 7, 2024

**RE:** 2024-2025 Award Nominations

The **Calhoun Association of School Boards Annual Awards Banquet** will be held on **Wednesday, April 30, 2025, at the Calhoun Area Career Center**, 475 E. Roosevelt Ave in Battle Creek. At this meeting, yearly awards and recognitions will be presented.

We are mailing the nomination form early to allow School Boards time for discussion and decision-making. The nomination procedures for the Citizen and Professional Awards are as follows:

1. Nominations for the Citizen and Professional Awards should be submitted through individual boards of education. Individual board members with nominations should submit these to their respective school boards for board action and the formal nomination procedure. The nominations (approved by the local school boards) should then be submitted to the CASB Executive Secretary. As you consider nominations, think about area citizens and professionals who have made significant educational contributions within the Calhoun ISD, many times behind the scenes. Examples include volunteers supporting area programs, community stakeholders who have supported area-wide education, and educators servicing the CISD area "above and beyond."
2. The Calhoun Association of School Boards' Board of Directors, as well as local boards of education, will also have the opportunity to make nominations for a Special Commendation Award. This award is applicable to groups or organizations other than those nominated for the Citizen and Professional Awards and often encompass a single contribution or contributions over time not yet recognized.
3. The Calhoun Association School Boards requests that the CASB Board of Directors (Delegates and Superintendents) make certain their respective board either makes a nomination or replies to the CASB Executive Secretary that no nomination will be forthcoming from their school district.
4. When considering nominees, those serving only one district or community may be more appropriately recognized locally. Additionally, years of service should be given appropriate consideration.
5. All nominees will be considered by the CASB Board of Directors.

Attached are the nomination forms as well as a list of previous award recipients. Please be sure to have your board of education finalize their nominations for submission at your **November, December, or January board meeting**. **Please return your nominations (or notice of no nomination) to Dr. Terance Lunger at the Calhoun Intermediate School District by 4:00 p.m. on Friday, January 31, 2025.**

## PREVIOUS WINNERS OF CASB AWARDS

<u>CITIZENS</u>	<u>YEAR</u>	<u>PROFESSIONAL</u>
Judge Mary Coleman, Lakeview	1964	Dr. Maurice Seay, Lakeview
Frank T. Zinn, Marshall	1965	Harry Davidson, Battle Creek
Elizabeth Binda, Lakeview	1966	Stephen M. Glaza, Calhoun ISD
Leo Boice, Springfield and Don Hinderliter, Battle Creek	1967	Esther Rupright, Battle Creek
Ruth L. Ball, Albion and E. B. Lincoln, Marshall	1968	Bruce Gray, Marshall
Dr. Emory Morris, Harper Creek	1969	Rose D. Warwick, Tekonsha
Dr. W. Edward Dewey, Harper Ck.	1970	Jennette Maris, Battle Creek
Marie Corey, Eckford Community	1971	Russell Newell, Pennfield
L'Nita Eddinger, Harper Creek	1972	Doris Klaussen, Calhoun ISD
W. James McQuiston, Battle Ck.	1973	Margaret vanBenschoten, Homer
Robert D. Gifford, Battle Creek	1974	Lloyd TeSelle, Lakeview
William Stoffer, Albion	1975	Clifford Jump, Battle Creek
James Styer, Enquirer and News Battle Creek	1976	Charles Miller, Springfield and Ted Thomas, Lakeview
Robert W. Cook, Homer and Elgin Williams, Athens	1977	Shirley Reed, Battle Creek
Dr. Millard R. Pugh, Athens	1978	Beatrice Forward, Harper Creek
John Neterer, Athens	1979	Ned & Irma Martinson, Tekonsha
Donald B. Pope, Pennfield	1980	Karl Randels, Lakeview
Ferris Church, Bellevue	1981	R. Bruce Sellers, Springfield
Lawrence Union, Albion and Terry Henckel, Athens	1982	Warren J. Fudge, Calhoun ISD
Nyle L. Katz, Ellis Corners	1983	Joseph Cooper, Marshall
Arthur Schultz, CISD/Harper Ck.	1984	Dr. Jack Mawdsley, Battle Creek
Wayne Fulton, Union City	1985	Donald Hoebek, Bellevue
Morris Stulberg, Marshall	1986	Dr. Richard Whitmore, Kellogg C.C.
Harold J. Fisher, Calhoun ISD	1987	Harold Creekmur, Pennfield
Dr. Russell G. Mawby, WKK	1988	Dale Rosene, Marshall
David Fuller, Athens	1989	Arthur W. Angood, Battle Creek
Al and Margaret Hart, Bellevue	1990	Fred Saxton, Homer
Robert Oren, Jr., Marshall/CISD	1991	Judy Jenkins, Tekonsha
David C. Farley, Albion	1992	Nancy L. Card, Calhoun ISD
Fred C. Buhler, Kellogg Co.	1993	C. Glen Walter, Harper Creek Betsy Gauss, Albion
James Hazel Jr., Harper Creek	1994	Rebecca Rocho, CISD
Blaine Van Sickle, Mar Lee	1995	John Peruzze, Harper Creek
Harry J. Bonner, Sr., Albion	1996	Mr. & Mrs. Paul Fredrick, Athens
Michael Williams, Albion	1997	Bill and Shug Brandell, Lakeview
Peter J. Christ, Battle Creek and Lakeview	1998	Dr. Roger T. LaBonte, Calhoun ISD
Dave Hewlett, Bellevue	1999	Robert Harberts, Battle Creek
Dr. Waldo Frankenstein, Bellevue	2000	Elizabeth Washburn, Marshall
Kathy Tarr, Marshall	2001	Gerri Newnum, Harper Creek
James Nelson, Lakeview	2002	Paul Ohm, Kellogg Community College
Rose Bivens, Pennfield	2003	Dr. Robert Spencer, Lakeview
Carol Petredean-DiSalvio, Homer	2004	Joseph Blythe, Lakeview
James McHale, Battle Creek/Lakeview	2005	Michael Ott, Harper Creek
Denise Porter, Albion	2006	Ruth Kavalhuna, Calhoun ISD
Mary Althaver, Homer	2007	Elizabeth Ashburn, Pennfield
Fred Jones, Battle Creek	2008	Chris Wigent, CISD
George Taft, Harper Creek	2009	Candice Putnam, Marshall

<u>CITIZENS</u>	<u>YEAR</u>	<u>PROFESSIONAL</u>
Marsha Franke, Marshall	2010	Dr. Charles Coleman, Battle Creek
JoAnne Miller, Homer	2011	Cindy Ruble, Lakeview
Richard Strader, Battle Creek	2012	David Campbell, Olivet
Lawrence Union, Albion - <i>Posthumously</i>	2013	Rebecca Rocho, CISD
Floyd Beneker, Marshall	2014	Margaret Lincoln, Lakeview
Allyn Miller, Harper Creek	2015	Dr. Randy Davis, Marshall
James Davis, Lakeview, <i>Posthumously</i>	2016	Timothy Elliott, Battle Creek
Vic Potter, Marshall	2017	William Lapham, Battle Creek
Blaine VanSickle, Mar Lee - <i>Posthumously</i>	2018	Tony Warren, CISD
Jorge Zeballos, Battle Creek/Lakeview	2019	Cheryl Peters, CISD
Marion Ramer, Bellevue - <i>Posthumously</i>	2020	Dr. Mark O'Connell, KCC
Daniel Loew, Sr., Athens - <i>Posthumously</i>	2022	Dr. Chandra Youngblood, Battle Creek
Gary Lincoln, Harper Creek	2023	Don Myers, Harper Creek - <i>Posthumously</i>

### SPECIAL COMMENDATIONS:

1978	Pennfield Board, Administrations, Students, Staff and Community
1981	Floyd and Margaret Wonser, Lakeview Residents
1983	Elizabeth Booth, Retired Teacher, Homer
1984	The 1983 Springfield Board and Administration
1985	The W.K. Kellogg Foundation, Battle Creek
1988	Roger Carlson, Retiring Superintendent, Tekonsha
1989	Morley Fraser, Albion and Alfred B. Worde, Calhoun ISD
1992	Larry Evans, Board Member, Homer Community School, and Past President CASBMA
1993	Harold Creekmur, Retiring Superintendent, Pennfield
1994	Carol Wilbur, CISD Retiring Secretary, Administrative Assistant
1996	C. Glen Walter, Retiring Superintendent, Harper Creek Community Schools
1996	Battle Creek Enquirer Staff
1997	Robert Lowman, CISD Retiring Director of Instruction
1998	Wattles Park Men's Club, Harper Creek Community Schools
1999	Annettie Tribett, Lakeview; Bernie Larson, Bellevue and Don Gilmer, Area Legislator
2000	George Wytko, Battle Creek Public Schools
2001	Roger LaBonte, Calhoun Intermediate School District
2002	Durwood (Woody) Booher, Pennfield Schools
2003	Arthur Schultz, Calhoun Intermediate School District
2004	Dr. William LeTarte, Mar Lee School
2005	Diane & Mike Durkin, Pennfield Schools
2006	James F. Hettinger, Battle Creek Unlimited CEO and President
2007	Martin Chard, Union City Community Schools Superintendent
2008	Olivet College, Olivet Community Schools
2009	David Smith, Harper Creek Community Schools
	Eddie Williams, Albion Public Schools
2010	The Success Fund, Marshall
2014	James R.C. Hazel, Jr., Harper Creek – <i>Posthumously</i>
2017	Harry Bonner, Sr., Albion
2018	Lorraine Mahar, Battle Creek – <i>Posthumously</i>

**CALHOUN ASSOCIATION OF SCHOOL BOARDS**  
*Nominations for 2025 Distinguished Service Awards*

The \_\_\_\_\_ Board of Education of nominates  
\_\_\_\_\_ as a candidate for the 2025 **Citizen** Distinguished Service Award; and nominates  
\_\_\_\_\_ for the 2025 **Professional** Distinguished Service Award.

- *Eligible candidates for the Citizen Award are school board members or any active or retired non-professional citizen residing in the Calhoun Area **who has made or is making outstanding contributions in educational leadership in the Calhoun Intermediate School District Area that impacts all or several school districts and or students in our area.***
- *Eligible candidates for the Professional Award should be retired or active professional educators, such as teachers or administrators, **who have made or are making outstanding contributions in educational leadership in the Calhoun Intermediate School District Area that impacts all or several school districts and or students in our area.***

Please list or describe below the achievements of your nominee, or nominees, which in your opinion qualify that person for consideration. Return this form [no later than 4:00 p.m. on January 31, 2025](#) to:

Dr. Terance Lunger, Executive Secretary  
Calhoun Association of School Boards  
17111 G Drive North  
Marshall, Michigan 49068

<p><b><u>Citizen Award</u></b> - Reasons for our nomination(s): <b>Please list specific local and countywide activities and/or service</b> (You may attach additional documentation to this form if necessary).</p>

<p><b><u>Professional Award</u></b> - Reasons for our nomination(s): <b>Please list specific local and countywide activities and/or service</b> (You may attach additional documentation to this form if necessary).</p>