

KALKASKA PUBLIC SCHOOLS
KALKASKA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

L. Long-Term Obligations

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The following is a summary of the governmental long-term obligation transactions for the District for the year ended June 30, 2024:

	GENERAL OBLIGATION BONDS	UNAMORTIZED BOND PREMIUM	UNAMORTIZED BOND DISCOUNT	NET PENSION LIABILITY	COMPENSATED ABSENCES	TOTAL
Balance July 1, 2023	\$ 17,740,000	\$ 2,910,967	\$ (26,183)	\$ 32,413,120	\$ 8,074	\$ 53,045,978
Additions	1,500,000	0	0	3,120,960	0	4,620,960
Deletions	(2,100,000)	(242,581)	6,614	(7,506,866)	(8,074)	(9,850,907)
Balance June 30, 2024	17,140,000	2,668,386	(19,569)	28,027,214	0	47,816,031
Less current portion	(2,155,000)	0	0	Unknown	Unknown	(2,155,000)
Total due after one year	\$ 14,985,000	\$ 2,668,386	\$ (19,569)	\$ 28,027,214	\$ 0	\$ 45,661,031

The District's debt obligations at June 30, 2024, are comprised of the following issues:

General Obligation Bonds

2010 Qualified School Construction Bonds ("QSCB"), due in annual installments of \$1,300,000 to \$1,325,000 through May 2027 with interest rates of 6.40%	\$ 3,950,000
2010 Qualified Zone Academy ("QZAB"), due in principal installments of \$225,000 through May 2027, with interest rates of 6.40%	675,000
2024 School Building and Site Bonds, Series II, due in annual installments of \$100,000 to \$250,000 through May 2031, with interest of 4.53%.	1,500,000
2021 School Building and Site Bonds, Series I, due in annual installments of \$405,000 to \$1,655,000 through May 2035, with interest of 4.00% to 5.00%	<u>11,015,000</u>
Total General Obligation Bonds Payable	17,140,000
Unamortized Bond Premium	2,668,386
Unamortized Bond Discount	(19,569)
Net Pension Liability	<u>28,027,214</u>
Total Long-Term Obligations	<u>\$ 47,816,031</u>

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The annual requirements to amortize all long-term liability outstanding as of June 30, 2024, including interest payments of \$4,565,361 are as follows:

YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS PAYABLE		TOTAL
	PRINCIPAL	INTEREST	
2025	\$ 2,155,000	\$ 910,543	\$ 3,065,543
2026	2,165,000	776,420	2,941,420
2027	2,265,000	651,507	2,916,507
2028	1,885,000	523,168	2,408,168
2029	1,245,000	429,998	1,674,998
2030-2034	6,215,000	1,213,225	7,428,225
2035-2036	1,210,000	60,500	1,270,500
	<u>\$ 17,140,000</u>	<u>\$ 4,565,361</u>	<u>21,705,361</u>
Net Pension Liability			28,027,214
Unamortized Bond Premium			2,668,386
Unamortized Bond Discount			(19,569)
			<u>\$ 52,381,392</u>

Interest expense for the year ended June 30, 2024, was approximately \$719,500.

The annual requirements to amortize net pension liability is uncertain because it is unknown when they will be used.

Net pension liability will be paid by the fund in which the employee worked, including the general fund and other governmental funds.

M. Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 2024, were:

Receivable Fund	Payable Fund	Amount
Food Service Fund	General Fund	\$ 29,931
General Fund	2021 Debt Service Fund	5,281
General Fund	2010 QSCB Debt Service Fund	7,167
General Fund	2010 QZAB Debt Service Fund	1,132
General Fund	Student Activities Fund	21,767
2021 Debt Service Fund	2010 QSCB Debt Service Fund	11,633
2021 Capital Projects Fund	General Fund	656
		<u>\$ 77,567</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) Interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All Interfund balances outstanding at June 30, 2024, are expected to be repaid within one year.