CARNEY NADEAU PUBLIC SCHOOL

Audited Financial Statements and
Additional Supplemental Information

For the Year Ended
June 30, 2025

Johnson & Rennie, LLC
Certified Public Accountants

JOHNSON & RENNIE, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Joel T. Rennie, CPA
Rodney R. Johnson, CPA
Carl R. Sorensen, CPA

Members
American Institute of CPA's
Michigan Association of CPA's
Wisconsin Institute of CPA's

October 24, 2025

Carney Nadeau Public School
Board of Education
Carney, Michigan

We have audited the financial statements of Carney Nadeau Public School, for the year ended June 30, 2025 and have issued our report thereon dated October 24, 2025. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 6, 2025, our responsibility as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute assurance that the financial statements are free of material misstatement.

As part of our audit we considered the internal control of the School District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the School District's financial statements has also been conducted in accordance with *Government Auditing Standards,* issued by the Comptroller General of the United States. Under *Government Auditing Standards,* we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the School District, including compliance with certain provisions of laws, regulations, contracts, grant agreements, certain instances of error or fraud, illegal acts applicable to government agencies, and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated October 24, 2025, regarding our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 6, 2025.

To the Board of Education
Carney Nadeau Public School

October 24, 2025

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Carney Nadeau Public School are described in Note 1 to the financial statements.

We noted no transactions entered into by the School District during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

The most sensitive estimate affecting the financial statements was the School District's share of the MPSERS and OPEB pension plans net pension liability recorded on the government-wide statements for the implementation of GASB Statement No. 75. The School District's estimate as of June 30, 2025 is $3,285,599 and is based on data received from the Office of Retirement Services. We evaluated the key factors and assumptions used to develop the liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such significant disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial and communicate them to the appropriate level of management.

We did not detect any misstatements as a result of audit procedures

To the Board of Education
Carney Nadeau Public School

October 24, 2025

Significant Finding or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the School District and business plans and strategies that may affect the risks of material misstatement with management each year prior to our retention of the Schools District's auditors. However, these discussions occurred in the normal course of our professional relationships and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 24, 2025.

Management Consultations with Other Independent Accountants

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

Very truly yours,

Johnson & Rennie, LLC
Menominee, Michigan
October 24, 2025

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To the Board of Education
Carney Nadeau Public School
Carney, Michigan

INDEPENDENT AUDITOR'S REPORT

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Carney Nadeau Public School, Carney, Michigan as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise of the School's 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 Carney Nadeau Public School, Carney, Michigan as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher that for one resulting in 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, we:

900 26th Street • "At the Hattie Street Bridge" • Menominee, MI 49858 • 906-863-4457 • Fax 906-863-3444
240 French Street • P.O. Box 97 • Peshtigo, WI 54157-0097 • 715-582-4896
516 Brazeau Avenue • Suite 311 • P.O. Box 227 • Oconto, WI 54153-0227 • 920-834-2109 • Fax 920-834-4127
1012 East Main Street, Suite B • P.O. Box 25 • Pound, WI 54161-0025 • 920-897-2992

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

OTHER SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The other supplemental information as identified in the table of contents is presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual 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 GOVERNMENTAL AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report letter dated October 24, 2025, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting or on compliance and results of that testing and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School's internal control over financial reporting and compliance.

Johnson & Rennie, LLC

Johnson & Rennie, LLC
Menominee, Michigan
October 24, 2025

Management's Discussion and Analysis

This section of the Carney Nadeau School District's annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2025. It is to be read in conjunction with the School District's financial statements, which immediately follow. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and is intended to provide the financial results for the fiscal year ending June 30, 2025.

District-Wide Financial Statements

The District-Wide financial statements appear first in the financial report. These financial statements include the statement of net position and the statement of activities. They report information about the School District as a whole. The statements are prepared using the accrual basis of accounting which is the accounting method used by most private sector businesses. The statement of net position includes all of the School District's assets and liabilities. All current year revenues and expenses are reported for in the statement of activities. The two statements report the Governmental activities of the School District that include all services performed by the School District including but not limited to instruction, support services, food services, athletics and debt service. These activities are funded mostly by State aid as determined by pupil counts, Federal and State grants and local property taxes.

The statement of net position as stated previously, shows the School District's assets and liabilities. The corresponding balance between the amounts calculates the net assets or deficits of the School District. A deficit occurs when there are more liabilities than there are assets to pay those liabilities. This statement measures the financial strength of the School District; the greater the net position figure, the healthier the School District generally is. This shows if the School District will be able to fund their current obligations and shows what they have available for future use.

The statement of activities shows the current year change in net position on a revenue less expenditure basis. It generally shows the operating results for a given year of the School District. Any excess of revenues over expenditures results in a surplus for the year that in turn increases the net position (or reduces a deficit) available to fund future needs of the School District.

Fund Financial Statements

The School District's fund financial statements show detail of funds that are determined to be significant, called major funds. The funds that are separately stated as major funds are:

- General Fund - which is the operating fund
- Community Schools Fund - this fund accounts for adult education in which the School is fiscal agent

Fund Financial Statements (Continued)

All other funds of the School District are considered non-major and are reported as one column. Separate funds are often required to be set up and separately recorded due to State or Federal statues or by bond covenants or other contractual agreements. The School District may also choose to set up separate funds to better control and track certain monies. All of the School District's services are reported in Governmental types. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The School District has the following non-major Governmental Funds:

- Food Service Fund – which accounts for the Breakfast and Hot Lunch Programs
- Activities Fund – Accounting for Organizations that the School controls
- Debt Service Fund – Accounting for Repayments of Bonds

Fiduciary Funds are funds that account for certain activities in which the School District acts as a trustee or in an agent capacity. The school maintains Private Purpose Trust Funds which is a scholarship fund used for proceeds from donations for student scholarships. These activities are not included in the District-Wide financial statements as they represent resources that are not available for the School District's operations.

Governmental Funds are accounted for by using an accounting method called modified accrual accounting (flow of current financial resources measurement focus). This method records revenues when all applicable eligibility requirements are met and resources are available to finance expenditures of the fiscal period. Expenditures are recorded when the related liability is incurred. The Governmental Fund financial statements show detail of operations for a given year according to this method of accounting. This is similar to how the School District reported their finances in the past. The individual fund statements help determine what financial resources are available on a short-term basis to fund operations.

Since the District-Wide financial statements and the fund financial statements use different methods of accounting to report the School District's financial condition, a reconciliation is included in the financial statements showing the differences between the two types of statements.

District-Wide Financial Statements – Condensed Financial Information

Statement of Net Position

The following table shows the Governmental Activities condensed statement of net position with a detailed analysis of the statement below.

	Governmental Activities	
	2025	2024
Assets		
Current Assets:		
Cash and investments	$ 1,797,973	$ 1,580,062
Due from other Governmental units	571,152	513,289
Accounts receivable	23,258	22,560
Prepaid expense	56,388	60,881
Total Current Assets	2,448,771	2,176,792
Noncurrent Assets:		
Capital Assets, net of accumulated depreciation of $3,325,741	2,286,148	2,468,496
Right to Use Assets, net of accumulated amortization of $2,517	12,584	-
Net OPEB Asset	681,019	93,255
Total Noncurrent Assets	2,979,751	2,561,751
Deferred Outflow of Resources		
Deferred Outflow of Resources - Employee - Pension	1,399,984	1,714,259
Deferred Outflow of Resources - Employee - OPEB	164,348	241,002
Total Deferred Outflow of Resources	1,564,332	1,955,261
Total Assets and Deferred Outflow of Resources	6,992,854	6,693,804
Liabilities		
Accounts payable	83,912	112,323
Bonds payable, due within one year	13,164	22,448
Other current liabilities	190,895	174,587
Total Current Liabilities	287,971	309,358
Long-term liabilities		
Bond payable, net of current portion, $13,164	9,284	13,164
Compensated absences	16,558	
Right to Use liability	13,244	
Net pension liability	3,966,618	5,437,166
Net OPEB liability	-	-
Total Long-term Liabilities	4,005,704	5,450,330
Total Liabilities	4,293,675	5,759,688
Deferred Inflow of Resources		
Unavailable revenue	103,006	223,143
Pension	1,298,435	627,928
State aid funding for pension	175,338	786,526
OPEB	926,528	327,469
Total Deferred Inflow of Resources	2,503,307	1,965,066
Net Position		
Net investment (deficit) in capital assets	2,276,284	2,432,884
Restricted	138,790	146,960
Unrestricted	(2,219,202)	(3,610,793)
Total Net Position	$ 195,872	$ (1,030,949)

District-Wide Financial Statements - Condensed Financial Information (continued)

Statement of Net Position (continued)

The previous table shows the School District's net position as a surplus of $195,872 at June 30, 2025. The report records the net pension and OPEB liability of $3,966,618. Capital assets net of related debt is reported as an investment of $2,276,284. This figure is derived by taking the original costs of the School District's assets less accumulated depreciation to date and comparing this figure to the amount of long-term debt used to finance the acquisition of those assets. Most of the debt related to the capital assets will be repaid from voter-approved property taxes collected as the debt service comes due.

Restricted net position of $138,790 is restricted for several activities. The net position is restricted as they are not allowed to be used for daily School District operations. The amount restricted for capital projects is $0. The remaining restricted assets are for Food Service of $41,854, and School Activities of $96,936.

The unrestricted net position is reported as a deficit of $2,219,202 as of June 30, 2025. This is the net accumulated results of past years' operations. The deficit in the unrestricted net position shows that the School District does not have ample amount of assets to fund liabilities at June 30, 2025.

Statement of Activities

The results of operations for the School District as a whole are reported in the statement of activities (see condensed table below). This statement shows the changes in net position for the fiscal year ended June 30, 2025 and 2024.

	Governmental Activities	
	2025	2024
Revenue		
Program Revenue:		
Charges for services	$ 167,909	$ 153,303
Operating grants and entitlements	1,105,090	1,141,707
State categoricals	1,225,622	1,099,064
General Revenue:		
Property taxes	451,376	440,545
State aid	1,817,443	1,810,082
Other	48,693	186,530
Total Revenue	4,816,133	4,831,231
Functions/Programs Expenses		
Instruction	2,121,106	2,401,968
Supporting services	770,119	1,090,670
Community services	17,746	66,669
Food services	215,167	216,662
Athletics	109,639	105,134
Activities	125,357	106,803
Interest	12,475	3,063
Depreciation (unallocated)	217,703	219,005
Special item	-	(1,417)
Total Expenses	3,589,312	4,208,557
Increase (Decrease) in Net Position	**$ 1,226,821**	**$ 622,674**

Statement of Activities (continued)

As reported in the Statement of Activities, the School District had an overall increase in net position of $1,226,821. The School District reports total net position as a surplus of $195,872. The unrestricted deficit net position is $2,219,202. Declining student enrollment in the area surrounding the School District has resulted in the School District needing to eliminate costs to minimize the decrease in net position. The deficits are a result of including the Net Pension Liability under GASB 68.

The School District's total revenues totaled $4,816,133. Of this amount, the State aid accounts for 63% of total revenues or $3,043,065. With declining enrollment, the School District's major source of revenue is not increasing in relation to the increase in expenses. Property taxes assessed to the residents of the School District not restricted for other purposes totaled $451,376. This accounts for 9% of total revenue to be spent on general education and operating needs.

The School District's total cost to fund all Governmental activities was $3,589,312. Approximately 70% or $2,498,621 of these costs were financed by those who benefitted from the service or funded by grants from other Governmental agencies. This shows the importance of budgeting and determining what programs the School District will fund with unrestricted revenues on a yearly basis.

Fund Financial Statements

The Governmental Fund financial statements report the School District's finances under the modified accrual basis of accounting. Under this method revenues are recognized when available and expenditures when incurred. The fund balance totaled $2,071,038 at June 30, 2025. It increased for all Governmental Funds by $404,125 for the year as follows:

<u>The Major Funds</u>

1. General Fund increased by $387,584 leaving a balance of $1,202,015.

2. The Community Schools Fund increased by $24,934 leaving a fund balance of $730,181.

<u>The Non-Major Funds</u>

1. Hot Lunch Fund had a balance of $41,906 in fund balance.

2. Activities Fund had a balance of $96,936.

3. Debt Retirement Fund which accounts for the proceeds to pay off Bonds ended with a fund balance of $0.

Major Governmental Funds Budgeting and Operating Highlights

The School District's budgets are prepared according to Michigan law and are initially adopted prior to July 1 of each year, usually before the State of Michigan enacts its budget or most grants are awarded. Therefore, it is expected there will be significant changes between the initial budget and subsequent budgets, as actual grant awards are known. The most significant fund budgeting is the General Fund. The budget is amended at least two times during the year. The budget includes estimated State revenues until the actual amount is determined. Since a major portion of the District is funded by these revenues, budget amendments are necessary to include these funds.

General Fund

General Fund Revenue Budget vs. Actual History

Fiscal Year	Revenues Original Budget	Revenues Final Budget	Revenues Final Actual	Actual vs. Final Budget
2020-2021	2,648,487	2,927,696	2,978,924	51,228
2021-2022	3,015,149	3,193,286	3,067,560	(125,726)
2022-2023	3,196,863	3,628,490	3,621,116	(7,374)
2023-2024	3,080,923	3,540,689	3,589,957	49,268
2024-2025	3,625,344	3,715,316	3,773,047	57,731

General Fund Expenditures Budget vs. Actual History

Fiscal Year	Expenditures Original Budget	Expenditures Final Budget	Expenditures Final Actual	Actual vs. Final Budget
2020-2021	2,613,722	2,808,161	2,723,790	84,371
2021-2022	2,875,591	3,016,808	2,881,395	135,413
2022-2023	3,016,810	3,677,805	3,759,371	(81,566)
2023-2024	3,107,816	3,412,310	3,357,168	55,142
2024-2025	3,523,501	3,480,148	3,385,463	94,685

A budget was adopted for the Community Schools Fund and is reported on Page 42.

Budgets are not required for Sinking Funds, Capital Project Funds, and Debt Retirement funds. Budgets were prepared for the other non-major funds.

Net Investment in Capital Assets

At June 30, 2025, the School District had $2,298,732 invested in Capital and Right to Use Assets. This included a net decrease of $156,600 during the past fiscal year shown in the following table:

	2025	2024
Capital Assets	5,611,889	5,579,051
Accumulated depreciation	(3,325,741)	(3,110,555)
Right to Use Assets	15,101	-
Accumulated amortization	(2,517)	-
Related debt	(22,448)	(35,612)
	2,276,284	2,432,884

Debt

The School District has $22,448 of long-term debt. The long-term debt decreased by $13,164 during the year. The decrease was incurred due to the payment on the bond. The State allows districts to issue general obligation debt up to 15% of the assessed value of all taxable property within the School District's boundaries. The School District is under this limit by a considerable amount. The notes to the financial statements provide detail of long-term debt.

Future Considerations

As a small district in a rural community, Carney Nadeau Public School has faced innumerable fiscal and demographic challenges not only in recent years, but throughout its long history. And yet, through sound planning, creative problem-solving, and careful consideration of every major expenditure, it has consistently overcome these challenges. One would in fact need to look back to years preceding the COVID pandemic for the last fiscal year in which CNPS posted a deficit budget. They have defied the odds and managed to accrue a sizable general-fund surplus, all while expanding their programming *and* making significant improvements to their building. This is no small achievement. That being said, given the volatility of funding sources such as state and federal aid and the unpredictable nature of student enrollment, it is advised that Carney Nadeau Public School continue to exercise fiscal conservancy. At present, though, it would appear that the District is consistently moving in a positive budgetary direction.

Contacting the School District

If you have any questions about this report or need additional information, contact the Superintendent's office at Carney Nadeau Public School - Carney, Michigan.

Basic Financial Statements

Carney Nadeau Public School
Statement of Net Position
As of June 30, 2025

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 1,797,973
Due from other Governmental units	571,152
Accounts receivable	23,258
Prepaid expenses	56,388
Total Current Assets	2,448,771
Noncurrent Assets:	
Capital assets	5,611,889
Less: accumulated depreciation	(3,325,741)
Right to Use assets	15,101
Less: Amortization	(2,517)
Net OPEB Asset	681,019
Total Noncurrent Assets	2,979,751
Total Deferred Outflow of Resources	
Deferred Outflow of Resources - Pension	1,399,984
Deferred Outflow of Resources - OPEB	164,348
Total Deferred Outflow of Resources	1,564,332
Total Assets and Deferred Outflow of Resources	6,992,854
LIABILITIES	
Current Liabilities	
Accounts payable	83,912
Accrued salaries and withholding	190,815
Accrued Interest	80
Bonds payable, due within 1 year	13,164
Total Current Liabilities	287,971
Noncurrent Liabilities	
Compensated absences	16,558
Right to Use Liability	13,244
Bonds payable	9,284
Net pension Liability	3,966,618
Total Noncurrent Liabilities	4,005,704
Total Liabilities	4,293,675
Deferred Inflow of Resources	
Unavailable revenue	103,006
Pension	1,298,435
State aide funding for pension	175,338
OPEB	926,528
Total Deferred Inflow of Resources	2,503,307
Net Position	
Net investment in capital assets	2,276,284
Restricted for capital projects	-
Restricted for food service	41,854
Restricted for Activities	96,936
Restricted for debt retirement	-
Unrestricted	(2,219,202)
Total Net Position	$ 195,872

The Accompanying Notes are an Integral Part of the Financial Statements

Carney Nadeau Public School
Statement of Activities
For the Year Ended June 30, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
GOVERNMENTAL FUNCTIONS				
Current:				
Instruction	$ (2,121,106)	$ -	$ 2,330,712	$ 209,606
Supporting services	(770,119)	-	-	(770,119)
Community	(17,746)	-	-	(17,746)
Food services	(215,167)	33,570	-	(181,597)
Athletics	(109,639)	17,306	-	(92,333)
Activities	(125,357)	117,033	-	(8,324)
Interest on long-term debt	(12,475)	-	-	(12,475)
Depreciation/Amortization(unallocated)	(217,703)	-	-	(217,703)
Total Governmental Functions	$ (3,589,312)	$ 167,909	$ 2,330,712	(1,090,691)
GENERAL REVENUES				
Property Taxes:				
General purposes				451,376
Debt purposes				-
State aid not restricted for specific purpose				1,817,443
Interest and investment earnings				1,332
Other				47,361
Total General Revenues				2,317,512
Change in Net Position				1,226,821
Net Position - Beginning of Year				(1,030,949)
Net Position - End of Year				$ 195,872

The Accompanying Notes are an Integral Part of the Financial Statements

Carney Nadeau Public School
Balance Sheet
Governmental Funds
As of June 30, 2025

	General	Community Schools	Other Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 979,088	$ 671,378	$ 147,507	$ 1,797,973
Due from other Governmental units	571,152	-	-	571,152
Prepaid expenses	12,645	10,561	52	23,258
Accounts Receivable	-	55,025	1,363	56,388
Total Assets	$ 1,562,885	$ 736,964	$ 148,922	$ 2,448,771
Liabilities, Deferred Inflow of Resources and Fund Equity				
Liabilities				
Accounts payable	$ 71,156	$ 2,676	$ 10,080	$ 83,912
Accrued payroll and benefits	186,708	4,107	-	190,815
Total Liabilities	257,864	6,783	10,080	274,727
Deferred Inflow of Resources				
Unavailable Revenue				
Federal and state grants	103,006	-	-	103,006
Fund Balance				
Non-spendable	12,645	10,561	52	23,258
Restricted for hot lunch	-	-	41,854	41,854
Committed to capital projects	-	-	-	-
Committed to activities	-	-	96,936	96,936
Unassigned	1,189,370	719,620	-	1,908,990
Total Fund Balance	1,202,015	730,181	138,842	2,071,038
Total Deferred Inflow of Resources and Fund Equity	$ 1,562,885	$ 736,964	$ 148,922	$ 2,448,771

The Accompanying Notes are an Integral Part of the Financial Statements

Carney Nadeau Public School
Reconciliation of the Governmental Funds Balance Sheet
With the Statement of Net Position
As of June 30, 2025

Total Governmental Fund Balance		$ 2,071,038
Amounts Reported for Governmental Activities in the Statement of Net Position Because:		
Capital Assets and Right to Use Assets used in Governmental Activities are Not Financial Resources and are Not Reported in the Funds		
The Cost of Capital Assets are:	$ 5,611,889	
Accumulated Depreciation is:	(3,325,741)	2,286,148
The Cost of Right to Use Assets are:	$ 15,101	
Accumulated Amortization is:	(2,517)	12,584
Long-Term Liabilities are not Due and Payable in the Current Period and are Not Reported in the Governmental Funds		
Bonds payable		(22,448)
Accrued interest is not included as a liability in governmental funds		(80)
Compensated absences if long term are not included as a liability in governmental funds		(16,558)
Right to Use Assets generate a liability for the remaing years on the contract that remain untiliized. This is not included as a liability in governmental funds.		(13,244)
Net Pension Obligations are not Due and Payable in the Current Period and Therefore, are Not Reported in the Funds		
Net Pension Liability		(3,966,618)
State aid funding for pension		(175,338)
Net OPEB Asset		681,019
Deferred Outflows and Inflows or Resources Related to Pensions are Applicable to Future Periods and Therefore, are Not Reported in the Funds		
Deferred Outflows of Resources Related to Pensions		1,399,984
Deferred Inflows of Resources Related to Pensions		(1,298,435)
Deferred Outflows of Resources Related to OPEB		164,348
Deferred Inflows of Resources Related to OPEB		(926,528)
Net Position of Governmental Activities		$ 195,872

The Accompanying Notes are an Integral Part of the Financial Statements

Carney Nadeau Public School

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Community Schools	Other Non-Major Governmental Funds	Total Governmental Funds
REVENUE				
Local sources	$ 631,348	$ 10,254	$ 150,603	$ 792,205
State sources	3,006,517	615,164	36,548	3,658,229
Federal sources	121,872	74,300	156,217	352,389
Other school districts	13,310	-	-	13,310
Total Revenue	3,773,047	699,718	343,368	4,816,133
EXPENDITURES				
Current:				
Instruction	2,145,708	544,063	-	2,689,771
Supporting services	1,192,422	112,975	-	1,305,397
Community services	-	17,746	-	17,746
Food services	-	-	215,167	215,167
Activities	-	-	125,357	125,357
Debt Service:				
Principal	13,164	-	-	13,164
Interest and fees	1,331	-	11,237	12,568
Other	-	-	-	-
Capital outlay	32,838	-	-	32,838
Total Expenditures	3,385,463	674,784	351,761	4,412,008
Excess of Revenues (Expenditures)	387,584	24,934	(8,393)	404,125
Other Financing Sources (Uses)				
Sale of school property	-	-	-	-
Transfers (in)	-	-	-	-
Transfers (out)	-	-	-	-
Proceeds from bond	-	-	-	-
Bond Issuance Cost	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
(Deficiency) of Revenues over Expenditures	387,584	24,934	(8,393)	404,125
Fund Balances at July 1, 2024	814,431	705,247	147,235	1,666,913
Fund Balances at June 30, 2025	$ 1,202,015	$ 730,181	$ 138,842	$ 2,071,038

The Accompanying Notes are an Integral Part of the Financial Statements

Carney Nadeau Public School

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2025

Net Changes in Fund Balances - Total Governmental Funds		$ 404,125
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental Funds report Capital Outlays as expenditures in the statement of Activities. These costs are allocated over their estimated useful lives as depreciation.		
Depreciation and Amortization Expense	$ (217,703)	
Capital Outlay	32,838	(184,865)
Principal paid on the Right to Use liability is an expense in the statement of activities		1,857
		-
Accrued interest is recorded in the statement of activities when incurred. It is not reported in the Governmental Funds until paid.		93
Repayments of bond principal are an expenditure in the governmental funds but not in the statement of activities (where it is reduces long-term debt.)		13,164
Some liabilities, including interest, compensated absences and retirement benefits, are reported in the fund when due and payable, but are reported in the statement of activities when incurred.		
Current compensated absences incurred - Previous Year	-	
Current compensated absences incurred - Current Year	(16,558)	
Amount by which compensated absences and retirement benefits differed in the statement of activities in the current period.		(16,558)
In the statement of activities, operating expenses for pension related items are measured by amounts earned during the year while the governmental funds report expenditures as amounts paid. This year the amount paid for pension related items was less than the amount earned.		637,897
In the statement of activities, operating expenses for OPEB related items are measured by amounts earned during the year while the governmental funds report expenditures as amounts paid. This year the amount paid for OPEB related items was less than the amount earned.		371,108
Change in Net Position as Governmental Activities		$ 1,226,821

The Accompanying Notes are an Integral Part of the Financial Statements

Carney Nadeau Public School
Fiduciary Funds
Private Purpose Trust Fund
Year Ended June 30, 2025

Statement of Net Position

	Memorials	Employees' Scholarship	Other Scholarships	Total
ASSETS				
Cash	$ 2,305	$ 3,490	$ 18,789	$ 24,584
NET POSITION				
Reserve for scholarships	$ 2,305	$ 3,490	$ 18,789	$ 24,584
Total Liabilities and Net Position	$ 2,305	$ 3,490	$ 18,789	$ 24,584

Statement of Changes in Fiduciary Net Position

	Memorials	Employees' Scholarship	Other Scholarships	Total
REVENUES				
Interest	$ 34	$ 8	$ -	$ 42
Contributions	-	870	7,600	8,470
Total Revenues	34	878	7,600	8,512
EXPENDITURES				
Scholarships	550	1,500	10,000	12,050
Total Expenditures	550	1,500	10,000	12,050
Excess Revenue Over (Under) Expenditures	(516)	(622)	(2,400)	(3,538)
Net Position				
Beginning Balance July 1	2,821	4,112	21,189	28,122
Ending Balance June 30	$ 2,305	$ 3,490	$ 18,789	$ 24,584

The Accompanying Notes are an Integral Part of the Financial Statements

Notes to the Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Carney Nadeau Public School have been prepared as prescribed by the Michigan Department of Education. These policies are in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

Reporting Entity

In conformity with generally accepted accounting principles, other autonomously operated governmental organizations are not considered to be part of the School District's entity for financial reporting purposes nor is the School District a component unit of another entity. The criteria established for determining the various governmental organizations to be included in the School District's financial statements include oversight responsibility, scope of public service and special financing relationships. Based upon the application of these criteria the financial statements of the School District contain all the funds controlled by the District's Board of Education as no other entity meets the criteria to be considered a blended component unit or a discretely presented component unit of the District.

Basis of Presentation

District-Wide Financial Statements

The School District-Wide financial statements (Statement of Net Position and Statement of Activities) report information on all of the activities of the School District except for the fiduciary activities. All of the School District's activities are considered to be governmental activities. Interfund activity including operating transfers between activities and amounts due to and from governmental activities has been eliminated in the School District-Wide statements.

Fund-Based Financial Statements

Separate financial statements are provided on the basis of funds, each of which is considered a separate fiscal and accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Governmental as well as fiduciary funds are provided. The various fund types are grouped in the financial statements as major funds or non-major funds. The School District reports the following major governmental funds:

The General Fund is the general operating fund of the School District. The fund is used to account for all financial resources except those required to be accounted for in another fund.

The Community Schools Fund is a Special Revenue Fund. It accounts for all activities of Adult Education in the geographical area.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Fund-Based Financial Statements (continued)

All other governmental funds are considered to be non-major. They include:

Hot Lunch Fund – used by the School District to account for Food Services.

Activities Fund – this Special Revenue Fund is used to account for assets held by the School's District in its capacity as a receiving and paying agent for the several groups.

The Debt Service Fund is used to record tax, interest and other revenue for payment of principal, interest and other expenditures on the bond issue.

Fiduciary Funds

Private-Purpose Trust Funds - used to account for assets held by the School District in a trustee capacity as administrator of scholarship and other funds not under direct control of the School District.

Basis of Accounting

District-Wide Financial Statements

The District-Wide financial statements report all financial and capital assets, short and long-term liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and the accrual basis of accounting. All revenue is recorded when earned and expenses are recorded when a liability is incurred.

The Statement of Activities reports net cost information based on the School District's functions. Direct expenses are listed by function with program revenues for each function offset against those expenses. Program revenues include charges for services that are fees and other charges to the users or recipients of the services the School District provides. Program revenues also include operating grants and contributions that are restricted for a particular purpose. Property taxes, nonrestricted state aid and other revenues that are not program revenues are reported as general revenues.

Fund-Based Financial Statements

The governmental funds and fiduciary funds are accounted for by using the modified accrual basis of accounting as required by the Michigan Department of Education. Under the modified accrual basis of accounting, revenue is recognized when the revenue is subject to accrual, eligibility requirements are met and the revenues are available to finance expenditures of the fiscal period. Revenue is considered available when the revenue has been collected in the current period or soon enough after the end of the period to use to pay current period liabilities.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

The School District considers revenues to be available if collected within 60 days of the end of the period. Expenditures are recorded when the related liability is incurred. Exceptions to this general rule include certain compensated absences and principal and interest on long-term debt, both of which are recognized when due. Property taxes are recognized in the fiscal year for which the taxes have been levied.

Property Taxes

Property taxes attach as an enforceable lien on property as of December 31. Current property taxes are collected for the School District by the Townships of Nadeau, Gourley and Daggett. School taxes are levied on July 1.

Delinquent real property taxes of the School District are purchased annually by the County of Menominee.

State Foundation Revenue

The State of Michigan follows a foundation grant approach, which provides for a specific annual amount of revenue per student based on a state wide 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 regarding average pupil membership supplied by the districts. The funds received in July and August of 2025 are state appropriations for the year ended June 30, 2025, and, as such, are recorded as Due from other Governmental Units.

State Categorical Revenue

The School District also receives revenue from the State to administer certain categorical education programs. State rules require that revenue earmarked for these programs be expended for its specific purpose. Categorical funds received, which are not expended by the close of the fiscal year are recorded as deferred revenue.

Federal Revenue

Expenditure-driven grants are recognized as revenue when revenue is available, the qualifying expenditures have been incurred and all other grant requirements have been met.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposit accounts at local financial institutions.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments
State statutes authorize the School 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; and 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 mature not more than 270 days after the date of purchase. The School 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 outlined above.

Short-Term Interfund Receivables and Payables
During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund-based financial statements.

Restricted Assets
Restricted assets consist of cash and cash equivalents of the Debt Services Funds required to be set aside for future bond principal and interest payments and Capital Projects Funds for major renovations.

Inventories and Prepaid Items
Inventories are stated at cost and consist principally of supplies, heating fuel and bus fuel. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets and Depreciation
Capital assets include land and improvements, buildings, furniture and fixtures, equipment, school buses and vehicles and are reported in the School District-Wide financial statements. Capital assets are defined by the School District as assets with an acquisition cost of more than $5,000 with an estimated useful life in excess of one year. Assets meeting these criteria are recorded at historical cost or estimated historical costs if the amount is not known. Any donated capital assets are recorded at estimated fair market value at the date of donation. The costs of capital assets are charged to expense using an annual allocation of depreciation expense. Taking the depreciable cost of an asset and dividing that cost by its estimated useful life calculates the annual expense. The expense is recorded on the District-Wide Statement of Activities and included as a direct expense of an identifiable function if the assets sole purpose can be identified as being for that function. Depreciation expense (unallocated) is the amount of depreciation expense that cannot be charged to any particular function.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets and Depreciation (continued)
The capital assets are depreciated using the straight-line method with a half month depreciation taken for assets purchased after the fifteenth of each month over the following useful lives (land excluded as not depreciable):

Buildings	20 - 50 years
Furniture, fixtures & other equipment	05 - 20 years
School buses and vehicles	08 - 15 years

Compensated Absences
The liability for accumulated vacation and sick pay amounts is recorded in the District-wide statement of net position.

Deferred Outflows/Inflows of Resources
In addition to assets, the statements of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Pension and Other Postemployment Benefit (OPEB) Plans
For the purpose of measuring the net pension and net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS uses the economic resources measurement focus and the full accrual basis of accounting. Contributions revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related Investments are reported at fair value.

Unemployment Insurance
School Districts are required by state law to pay unemployment compensation tax. The state allows school districts the option to pay into the state unemployment insurance fund, based on the regular taxing provision of the law; or, they can reimburse the state directly for any benefit paid for former employees. The School District has elected to make reimbursement payments.

Long-Term Obligations
The School District reports long-term debt and other long-term obligations in the District-wide statement of net position. Amounts are recorded at face value along with any accrued interest to June 30, 2025.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in Capital Assets
This is a portion of the net position of the School District that consists of capital assets, net of accumulated depreciation and reduced by long-term liabilities for notes, bonds and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position
Net position is restricted when there are constraints placed on use by external parties or by statute.

Unrestricted Net Position
Net position not meeting either criteria above is considered unrestricted.

Fund Balance
In the fund-based financial statements, the restricted fund balances represent the amount set aside for constraints placed on them by external creditors or laws of other Governments. The committed fund balances represent the internal reservations by the School Districts Board.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events
Management has evaluated subsequent events through the date of the audit report.

NOTE B STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets
The School District follows these procedures in establishing the budgetary data reflected in the financial statements for the General, Capital Projects and Special Revenue Funds. The School District is not legally required to adopt budgets for the Debt Service and Capital Project Funds.

1. Prior to July 1, the School District Superintendent submits to the Board of Education, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

2. A public hearing is held to obtain taxpayer comments.

3. Prior to July 1, the budget is legally enacted at a regular meeting by Board of Education approval.

4. Any revisions to the budgeted amounts must be approved by the Board of Education.

5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. These budgets lapse at the end of each year.

6. Budgeted amounts presented in the financial statements are as originally adopted or as amended by the Board of Education prior to June 30, 2025.

Public Act 621 of 1978 Disclosures
Public Act 621 of 1978 requires local units of government (including School Districts) to prepare and to monitor their fiscal year budgets in accordance therewith. The Act provides that a school district must amend its budget if it becomes apparent that the School Districts actual revenues will deviate from those budgeted or if the school district's expenditures will exceed the amount appropriated.

NOTE B STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Public Act 621 of 1978 Disclosures (continued)

During the year ended June 30, 2025, the School District monitored and amended its budget and was in substantial compliance.

Public Act 275 of 1980 Disclosure

There were no deficits in any of the School District's fund-based financial statements as of June 30, 2025.

NOTE C DEPOSITS AND INVESTMENTS

The carrying amount of various deposits presented on the statement of net position as "Cash and cash equivalents" were made in financial institutions whose deposits are covered by federal depository insurance or in a municipal investment fund. All deposits were made in accordance with State of Michigan statutes and under authorization of the Board of Education.

At June 30, 2025, cash and cash equivalents on deposits in financial institutions per bank totaled $1,882,674, of which $255,795 was covered by depository insurance and $1,626,852 exceeded insurance limits. The School District places its deposits and investments with, what it believes to be, high quality financial institutions. Although such deposits and investments were in uninsured funds, they are, in the opinion of the School District, subject to minimal risk.

Transactions for governmental fund-types are recorded separately; however, the School District uses a common bank account to deposit and disburse cash of the General Fund and Special Revenue Funds.

The School Board has adopted a formal investment policy.

The following disclosures are made to the School Board's deposits and investments:

Custodial Credit Risk

Custodial Credit Risk – Deposits. For a deposit, custodial credit risk is a risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The School Board maintains its deposit accounts at several financial institutions. The balances, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of the $250,000 per interest bearing account and $250,000 per non-interest bearing account.

As of January 1, 2013, the insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to $250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to $250,000.

For the purpose of these rules, the term 'time and savings' deposits includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts (which were permitted after July 21, 2011). The term 'demand deposits' means both interest bearing and noninterest bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

NOTE C DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk

The insurance coverage of accounts held by government depositors is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to $250,000. Time and savings deposits are not insured separately from demand deposits. Management acknowledges the possibility of risk in this arrangement. However, the size and longevity of the depository institution minimizes such risk.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

The School Board held no securities or deposits at financial institutions classified as investments under the Governmental Accounting Standard Board Statement No. 40 as of June 30, 2025.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by state statutes and the actual rating as of year end for each investment type.

Investment Type	Total	Minimum Legal Rating	Rated as of Year End	Not Rated
High Yield Checking	$ 1,816,612	Not Available	$ -	$ 1,816,612
Savings	5,795	Not Available	-	5,795
	$ 1,822,407		$ -	$ 1,822,407

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the School Board manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the School Board's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the School Board's investments by maturity:

		Months				
Type	Total	≤ 12	13-24	25-36	37-48	49 +
High Yield Checking	$ 1,816,612	$ 1,816,612	$ -	$ -	$ -	$ -
Savings	$ 5,795	5,795	-	-	-	-
Total	$ 1,822,407	$ 1,822,407	$ -	$ -	$ -	$ -

NOTE C DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

Certain investments are highly sensitive to interest rate fluctuations, to a greater degree than already indicated in the information provided above. The School Board held no such investments as of June 30, 2025.

NOTE D CAPITAL AND RIGHT TO USE ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Balance 6/30/2024	Additions	Disposals & Adjustments	Balance 6/30/2025
Assets not being Depr:				
Land	$ 38,000	$ -	$ -	$ 38,000
Construction in progress	-	-	-	-
Capital Assets being Depr:				
Bldg & bldg imprv	4,854,539	32,838	-	4,887,377
Buses & other vehicles	534,366	-	-	534,366
Furniture & equipment	152,146	-	-	152,146
Total	5,579,051	32,838	-	5,611,889
Accumulated Depreciation :				
Bldg & bldg imprv	2,734,999	152,188	-	2,887,187
Buses & other vehicles	282,382	51,924	-	334,306
Furniture & equipment	93,174	11,074	-	104,248
Total	3,110,555	215,186	-	3,325,741
Net Capital Assets	$ 2,468,496	$ (182,348)	$ -	$ 2,286,148
Right to Use Assets:				
Copier	$ -	$ 15,101	$ -	$ 15,101
Total	-	15,101	-	15,101
Accumulated Amortization:				
Copier	-	2,517	-	2,517
Total	-	2,517	-	2,517
Net Right to Use Assets	-	12,584	-	12,584

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

NOTE E LONG-TERM DEBT

Changes in Long-Term Debt are summarized as follows:

	Balance 6/30/2024	Additions	Deductions	Balance 6/30/2025
2018 Energy Bond	$ 35,612	$ -	$ (13,164)	$ 22,448
Accumulated Unpaid Employee Benefits	-	-	-	-
	$ 35,612	$ -	$ (13,164)	$ 22,448

2018 Energy Bond

On May 30, 2018 the School District borrowed $88,268. The bonds are limited tax general obligations of the School District and bear interest rates of 4.5%. The summary of principal and interest is as follows:

Year Ending June 30	Principal	Interest
2026	13,164	739
2027	9,284	165
	$ 22,448	$ 904

Accumulated Unpaid Employee Benefits

Upon retirement under the Michigan Public School Employees' Retirement System, the District shall pay to the individual $40 for each day of unused sick leave up to the maximum of 110 days accumulated by the individual while in the employment of the School District. At year-end, the District recorded a total long-term liability of $16,558 for compensated absences. This amount represents benefits earned by employees that are expected to be paid upon termination or retirement and includes sick leave mentioned above as well as other forms of compensated absences.

NOTE F – GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) PENSION PLAN

PLAN DESCRIPTION

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

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

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

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

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

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

NOTE F – GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) PENSION PLAN (continued)

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2024.

Pension Contribution Rates

Benefit Structure	Member	Employer
Basic	0.0-4.0%	23.03%
Member Investment Plan	3.0-7.0%	23.03%
Pension Plus Plan	3.0-6.4%	19.17%
Pension Plus 2 Plan	6.2%	20.10%
Defined Contribution	0.0%	13.90%

Required contributions to the pension plan from Carney Nadeau Public School were $677,389 for the year ended September 30, 2024.

PENSION, LIABILITIES, PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2025, Carney Nadeau Public School reported a liability of $3,966,618 for its proportionate share of the MPSERS net pension liability. The next pension liability was measured as of September 30, 2024 and the total pension liability used to calculate the net position liability was determined by an actuarial valuation rolled forward from September 2023. Carney Nadeau Public School proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2024, Carney Nadeau Public School proportion was 0.0001620217 percent, which was a decrease of 0.000005968 percent from its proportionate measured as of September 30, 2023.

NOTE F – GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) PENSION PLAN (continued)

For the year ended June 30, 2025, Carney Nadeau Public School recognized pension expense of $256,839. At June 30, 2025, Carney Nadeau Public School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 107,617	$ 43,098
Changes of assumptions	413,543	290,628
Net difference between projected and actual earnings on pension plan investments	-	756,999
Changes in proportion and differences between Carney Nadeau Public School contributions and proportionate share of contributions	24,694	207,710
Carney Nadeau Public School contributions subsequent to the measurement date	854,130	-
	$ 1,399,984	$ 1,298,435

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Deferred (Inflow) and Deferred Outflow of Resources by Year (to Be Recognized in Future Pension Expenses)

Plan Year	Amount
2025	$ (190,585)
2026	$ (21,711)
2027	$ (322,061)
2028	$ (218,224)

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE F – GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) PENSION PLAN (continued)

Additional information as of the latest actual valuation as follows:

Summary of Actuarial Assumptions

Valuation Date	September 30, 2023
Actuarial Cost Method	Entry Age, Normal
Wage Inflation Rate	2.75%
Investment Rate of Return	
-MIP and Basic Plans	6.00% net of investment expenses
-Pension Plus Plan	6.00% net of investment expenses
Pension Plus 2 Plan	6.00% Net of investment expenses
Projected Salary Increases	2.75-11.55%, including wage inflation at 2.75%
Cost of Living Pension Adjustments	3% Annual Non-Compounded for MIP Members
Mortality:	Retirees: PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 166% 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.

Notes:

- *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 valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2024, is based on the results of an actuarial valuation date of September 30, 2023 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: 4.4612 for non-university employers.*
- *Recognition period for assets in years is 5.0000.*
- *Full actuarial assumptions are available in the 2024 MPSERS Comprehensive Annual Financial Report.* www.michigan.gov/orsschools.

NOTE F – GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) PENSION PLAN (continued)

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Pools	25.0%	5.3%
Private Equity Pools	16.0%	9.0%
International Equity Pools	15.0%	6.5%
Fixed Income Pools	13.0%	2.2%
Real Estate and Infrastructure Pools	10.0%	7.1%
Absolute Return pools	9.0%	5.2%
Real Return/Opportunistic Pools	10.0%	6.9%
Short-Term Investment Pools	2.0%	1.4%
TOTAL	100.0%	

* Long-term rate of return does not include 2.3% inflation

Rate of Return

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense was 15.47%. 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 liability (6.00% for the Pension Plus Plan and 6.00% for the Pension Plus 2 plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus Plan and 6.00% for the Pension Plus 2 Plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE F – GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) PENSION PLAN (continued)

Sensitivity of Carney Nadeau Public School Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents Carney Nadeau Public School proportionate share of the net pension liability calculated using a discount rate of 6.00% (6.00% for the Pension Plus Plan, 6.00% for the Pension Plus 2 Plan), as well as what Carney Nadeau Public School proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.00%	6.00%	7.00%
$5,815,105	*$3,966,618*	*$2,427,397*

Discount rates listed in the following order: Basic and Member Investment Plan (MIP), Pension Plus and Pension Plus 2. Non-university employers provide Basic, MIP, Pension Plus and Pension Plus 2 Plans. University employers provide only the Basic and MIP Plans.

Michigan Public School Employees' Retirement System (MPSERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS CAFR. Available on the ORS website at www.michigan.gov/orsschools

Payables to the Michigan Public School Employees' Retirement System (MPSERS)

At June 30, 2025, the District reported a payable of $35,979 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

NOTE G - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) OPEB PLAN

Plan Description

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

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

NOTE G - GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) OPEB PLAN (continued)

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

The System's financial statements are available on the ORS website at:
www.michigan.gov/orsschools

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

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

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

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

Employer OPEB 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

NOTE G - GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) OPEB PLAN (continued)

benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2024.

OPEB Contribution Rates

Benefit Structure	Member	Employer
Premium Subsidy	3.00%	8.31%
Personal Healthcare Fund	0.00%	7.06%

Required contributions to the OPEB plan from Carney Nadeau Public Schools were $131,509 for the year ended September 30, 2024.

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

At June 30, 2025, Carney Nadeau Public Schools reported an asset of $681,019 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2023. Carney Nadeau Public School's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2023, Carney Nadeau Public School's proportion was 0.0001582148 percent which was a decrease of 0.0000066352 percent from its proportion measured as of October 1, 2023.

For the year ending June 30, 2025, Carney Nadeau Public Schools recognized OPEB expense of $248,960. At June 30, 2025, Carney Nadeau Public Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ -	$ 721,673
Changes of assumptions	148,744	17,097
Net difference between projected and actual earnings on pension plan investments	-	128,925
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,166	58,833
Employer contributions subsequent to the measurement date	11,438	-
	$ 164,348	$ 926,528

NOTE G - GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) OPEB PLAN (continued)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Deferred (Inflow) and Deferred Outflow of Resources by Year (to Be Recognized in Future OPEB Expenses)

Plan Year	Amount
2025	$ (251,167)
2026	$ (151,201)
2027	$ (149,377)
2028	$ (133,881)
2029	$ (74,072)
Thereafter	$ (13,920)

Actuarial Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date:		September 30, 2023
Actuarial Cost Method:		Entry Age, Normal
Wage Inflation Rate:		2.75%
Investment Rate of Return:		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: 7.25% Year 1 graded to 3.5% Year 15 Post-65: 6.5% Year 1 graded to 3.5% Year 15
Mortality:	Retirees:	PubT-2010 Male and Female Retiree 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.

NOTE G - GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) OPEB PLAN (continued)

Other Assumptions: Opt Out Assumptions: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan. 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.

Notes:

- *Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total OPEB liability as of September 30, 2024, is based on the results of an actuarial valuation date of September 30, 2023, 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: [6.2834 for non-university employers]*
- *Recognition period for assets in years is 5.0000*
- *Full actuarial assumptions are available in the 2024 MPSERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.*

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Pools	25.0%	5.3%
Private Equity Pools	16.0%	9.0%
International Equity Pools	15.0%	6.5%
Fixed Income Pools	13.0%	2.0%
Real Estate and Infrastructure Pools	10.0%	7.1%
Absolute Return pools	9.0%	5.2%
Real Return/Opportunistic Pools	10.0%	6.9%
Short-Term Investment Pools	2.0%	1.4%
TOTAL	100.0%	

**Long-term rates of return are net of administrative expenses and 2.3% inflation.*

Rate of Return

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense was 15.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE G - GENERAL INFORMATION ABOUT THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) OPEB PLAN (continued)

Discount Rate

A discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Carney Nadeau Public School's proportionate share of the net OPEB liability to changes in the discount rate

The following presents Carney Nadeau Public School's proportionate share of the net OPEB liability calculated using the discount rate of 6.00%, as well as what Carney Nadeau Public School's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher:

1% Decrease	Current Discount Rate	1% Increase
5.00%	6.00%	7.00%
($526,297)	*($681,019)*	*($814,793)*

Sensitivity of Carney Nadeau Public School's proportionate share of the net OPEB liability to Healthcare Cost Trend Rate

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

	Current Healthcare Cost	
1% Decrease	Trend Rate	1% Increase
($814,794)	*($681,019)*	*($537,546)*

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2024 MPSERSCAFR, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

Carney Nadeau Public Schools reported no payables to the defined benefit OPEB plan as of June 30, 2025.

NOTE H DEFERRED INFLOW (DEFERRED OUTFLOWS) OF RESOURCES

The School District's deferred inflow of resources at June 30, 2025, consisted of:

	Governmental Funds	District-wide Funds
State Aid grants	39,880	39,880
GSRP services	56,126	56,126
Hannahville grant	7,000	7,000
Employee Retirement System	-	1,298,435
State Aid Funding for Pensions	-	175,338
OPEB	-	926,528
	$ 103,006	$ 2,503,307

The School District's deferred outflow of resources at June 30, 2025 consisted of:

	Governmental Funds	District-wide Funds
Pension	$ -	$ 1,399,984
OPEB	-	164,348
	$ -	$ 1,564,332

NOTE I INTERFUND RECEIVABLES AND PAYABLES - FUND BASED FINANCIAL STATEMENTS

There were no Interfund receivables or payables for the year ended June 30, 2025.

NOTE J INTERFUND TRANSFERS - FUND BASED FINANCIAL STATEMENTS

There were no Interfund transfers for the year ended June 30, 2025.

NOTE K CAPITAL PROJECT FUNDS

There are currently no active capital project funds for the year ended June 30, 2025.

NOTE L RISK MANAGEMENT

The School District is exposed to various risks of losses to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District has obtained coverage from commercial insurance companies. The School District has comprehensive general liability coverage of $25,000 per occurrence and a $1,000,000 aggregate limit with no deductible amount.

All risk management activities are accounted for in the General Fund and Special Revenue Funds of the School District. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create but for which none have been reported are considered.

NOTE L RISK MANAGEMENT (continued)

Management estimates that the amount or potential claims against the School District as of June 30, 2025 will not materially affect the financial condition of the School District. Therefore, the financial statements contain no provision for estimated claims. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE M RESTRICTED NET POSITION

At June 30, 2025, the School District's restricted net position consisted of:

Capital Projects	$ -
Food Service	41,854
Activities	96,936
Debt retirement	-
	$ 138,790

NOTE N SHORT-TERM STATE AID ANTICIPATION NOTE PAYABLE

The School District had no short-term loans during the year.

NOTE O LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

For the year ended June 30, 2025, the School implemented the following new pronouncement: Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and Statement No. 96 *Subscription-Based Information Technology Arrangements.*

GASB Statement No. 87, *Leases*, was issued by the GASB in June 2017. The objective of this Statement is to increase the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

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

On September 19, 2024 the School District entered into a lease agreement with US bank for use of two copiers. The term was set at 60 months, and can be reflected as $15,101 of Right to Use Assets in the government wide financial statements. This copier lease will amortize over a period of five years.

NOTE P **NEW ACCOUNTING PRONOUNCEMENT – GASB 101 COMPENSATED ABSENCES:**

Effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter, this new accounting pronouncement requires the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This new standard provides updated recognition and measurement guidance for all types of compensated absences, such as vacation, sick leave, and paid time off, requiring that liabilities be recognized as employees earn the benefits, rather than when they are used or paid.

The implementation of GASB 101 improves consistency in accounting for compensated absences and enhances the usefulness of financial statement information. The School District evaluated the impact of the standard and determined that it did not result in a material change to the beginning net position or financial position as previously reported. Any liability for compensated absences as of June 30, 2025 has been determined to be immaterial to the financial statements.

In addition, the State of Michigan recently enacted the Michigan Earned Sick Time Act (ESTA) which was effective February 21, 2025, or will be effective October 1, 2025, depending on the number of each organization's employees as defined by the ESTA. The ESTA requires employers to provide eligible employees with certain guaranteed paid sick leave hours. The requirements of the ESTA will need to be evaluated by the School District in conjunction with the requirements of GASB 101 for the fiscal year ended June 30, 2026.

The School District had $16,558 in long term compensated absences for the year ended June 30, 2025. The details of the School Districts compensated absences policy may be found in Note A.

Required Supplemental Information

Carney Nadeau Public School
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended
June 30, 2025

	Budgeted Amounts			Actual to	Original to
	Original Budget	Final Amended	Actual	Final Budget Positive (Negative)	Final Budget Positive (Negative)
REVENUE					
Local sources	$ 526,746	$ 608,819	$ 631,348	$ 22,529	$ 82,073
State sources	2,979,742	2,970,221	3,006,517	36,296	(9,521)
Federal sources	87,856	122,276	121,872	(404)	34,420
Inter-district services	17,000	14,000	13,310	(690)	(3,000)
Total Revenue	3,611,344	3,715,316	3,773,047	57,731	103,972
EXPENDITURES					
Current:					
Instruction	2,261,756	2,219,948	2,145,708	74,240	41,808
Supporting services	1,246,745	1,209,131	1,188,702	20,429	37,614
Debt Service:					-
Principal	15,000	14,520	13,164	1,356	480
Interest and fees	-	-	1,331	(1,331)	-
Hannahville 1944 bldg grant	-	3,720	3,720	-	(3,720)
Capital outlay	-	32,829	32,838	(9)	(32,829)
Total Expenditures	3,523,501	3,480,148	3,385,463	94,685	43,353
Excess of Revenues-(Expenditures)	87,843	235,168	387,584	152,416	147,325
OTHER FINANCING SOURCES (USES)					
Transfers (in)	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Other	14,000	-	-	-	(14,000)
Total Other Financing Sources (Uses)	14,000	-	-	-	(14,000)
Excess of Revenues and Other Resources Over (Under) Expenditures & Other Uses	101,843	235,168	387,584	152,416	133,325
Fund Balance Beginning of Year	814,431	814,431	814,431		
Fund Balance End of Year	$ 916,274	$ 1,049,599	$ 1,202,015		

Carney Nadeau Public School
Required Supplemental Information
Budgetary Comparison Schedule - Community Schools
For the Year Ended
June 30, 2025

	Budgeted Amounts			Actual to	Original to
	Original Budget	Final Amended	Actual	Final Budget Positive (Negative)	Final Budget Positive (Negative)
REVENUE					
Local sources	$ 6,500	$ 8,428	$ 10,254	$ 1,826	$ 1,928
State sources	642,637	615,375	615,164	(211)	(27,262)
Federal sources	75,000	74,300	74,300	-	(700)
Inter-district services	-	-	-	-	-
Total Revenue	724,137	698,103	699,718	1,615	(26,034)
EXPENDITURES					
Instruction	594,545	549,206	544,063	5,143	45,339
Supporting service	122,474	123,579	112,975	10,604	(1,105)
Community service	7,000	9,528	17,746	(8,218)	(2,528)
Capital outlay	-	-	-	-	-
Total Expenditures	724,019	682,313	674,784	7,529	41,706
Excess of Revenues-(Expenditures)	118	15,790	24,934	9,144	15,672
OTHER FINANCING SOURCES (USES)					
Other transactions	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess of Revenues and Other Resources Over (Under) Expenditures & Other Uses	118	15,790	24,934	9,144	15,672
Fund Balance Beginning of Year	705,247	705,247	705,247		
Fund Balance End of Year	$ 705,365	$ 721,037	$ 730,181		

Carney Nadeau Public School

Schedule of Carney Nadeau Public School Pension Contributions

Michigan Public School Employees' Retirement Plan

Last 10 Reporting Fiscal Years *(Amounts determined as of 6/30 of each year)*

	2020	2019	2018	2017	2016
Statutory required contributions	$ 366,890	$ 353,498	$ 264,426	$ 386,120	$ 322,587
Contributions in relation to statutory required contributions	366,890	353,498	264,426	386,120	322,587
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School's covered employee payroll	$ 1,555,723	$ 1,551,006	$ 1,360,430	$ 1,315,345	$ 1,387,092
Contributions as a percentage of covered employee payroll	23.58%	22.79%	19.44%	29.41%	23.26%

	2025	2024	2023	2022	2021
Statutory required contributions	$ 678,792	$ 437,483	$ 440,762	$ 659,080	$ 424,655
Contributions in relation to statutory required contributions	678,792	437,483	440,762	659,080	424,655
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School's covered employee payroll	$ 1,744,580	$ 1,559,919	$ 1,650,490	$ 1,566,032	$ 1,552,155
Contributions as a percentage of covered employee payroll	38.91%	28.05%	27.92%	42.09%	27.36%

Note Disclosures:

Changes of benefit terms: There were no changes of benefit terms in FY 2025.

Changes of benefit assumptions: There were no changes of benefit assumptions in FY 2025.

Carney Nadeau Public School

Schedule of Carney Nadeau Public School Proportionate Share of the Net Pension Liability

Michigan Public School Employees' Retirement Plan

Last 10 Reporting Fiscal Years *(Amounts determined as of 9/30 of each year)*

	2019	2018	2017	2016	2015
Proportion of net pension liability %	.0169%	.0161%	.0158%	.01636%	.01740%
Proportionate share of net pension liability	$ 5,603,746	$ 4,826,420	$ 4,103,820	$ 4,080,998	$ 4,249,229
Covered employee payroll	$ 1,558,159	$ 1,397,614	$ 1,326,326	$ 1,349,841	$ 1,534,940
Proportionate share of net pension liability as a percentage of its covered employee payroll %	359.64%	345.33%	309.41%	302.33%	276.83%
Plan fiduciary net position as a percentage of total pension liability	60.31%	62.36%	64.21%	63.27%	63.17%

	2024	2023	2022	2021	2020
Proportion of net pension liability %	0.016%	0.017%	0.017%	0.017%	0.017%
Proportionate share of net pension liability	$ 3,966,618	$ 5,437,166	$ 6,262,954	$ 4,029,740	$ 5,882,071
Covered employee payroll	$ 1,693,181	$ 1,665,635	$ 1,692,340	$ 1,600,575	$ 1,540,300
Proportionate share of net pension liability as a percentage of its covered employee payroll %	234.27%	326.43%	370.08%	251.77%	381.88%
Plan fiduciary net position as a percentage of total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%

Note Disclosures:

Changes of benefit terms: There were no changes of benefit terms in FY 2025.

Changes of benefit assumptions: There were no changes of benefit assumptions in FY 2025.

Carney Nadeau Public Schools

Schedule of Carney Nadeau Public School's OPEB Contributions

Michigan Public School Employees' Retirement Plan

Last 10 Reporting Fiscal Years *(Amounts determined as of 6/30 of each year)*

	2022	2021	2020	2019	2018
Statutory required OPEB contributions	$ 9,634	$ 8,826	$ 7,851	$ 7,326	$ 6,079
OPEB contributions in relation to statutory required contributions *	9,634	8,826	7,851	7,326	6,079
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School's covered payroll (OPEB)	$ 1,600,575	$ 1,540,300	$ 1,558,159	$ 1,557,002	$ 1,360,430
OPEB contributions as a percentage of covered payroll	0.60%	0.57%	.50%	.47%	.45%

	2027	2026	2025	2024	2023
Statutory required OPEB contributions			11,438	11,870	11,590
OPEB contributions in relation to statutory required contributions *			11,438	11,870	11,590
Contribution deficiency (excess)			$ -	$ -	$ -
School's covered payroll (OPEB)			$ 1,744,580	$ 1,559,919	$ 1,650,490
OPEB contributions as a percentage of covered payroll			0.66%	0.76%	0.70%

Note Disclosures:

Changes of benefit terms: There were no changes of benefit terms in FY 2025.

Changes of benefit assumptions: There were no changes of benefit assumptions in FY 2025.

Carney Nadeau Public Schools

Schedule of Carney Nadeau Public School's Proportionate Share of OPEB Liability

Michigan Public School Employees' Retirement Plan

Last 10 Reporting Fiscal Years *(Amounts determined as of 9/30 of each year)*

	2021	2020	2019	2018	2017
Proportion of net OPEB liability %	0.0174%	0.0172%	.0177%	.0163%	.0158%
Proportionate share of net OPEB liability	$ 265,024	$ 921,912	$ 1,271,124	$ 1,299,443	$ 1,403,199
Covered employee payroll (OPEB) *	$ 1,600,575	$ 1,540,300	$ 1,558,159	$ 1,397,614	$ 1,326,326
Proportionate share of net OPEB liability as a percentage of its covered employee payroll %	16.56%	59.85%	81.58%	92.98%	105.80%
Plan fiduciary net position as a percentage of total OPEB liability	87.33%	59.72%	44.24%	42.59%	36.39%

	2026	2025	2024	2023	2022
Proportion of net OPEB liability %			0.0158%	0.0165%	0.0170%
Proportionate share of net OPEB liability			681,019	93,255	361,748
Covered employee payroll (OPEB) *			$ 1,693,181	$ 1,665,635	$ 1,692,340
Proportionate share of net OPEB liability as a percentage of its covered employee payroll %			40.22%	5.60%	21.38%
Plan fiduciary net position as a percentage of total OPEB liability			143.08%	105.04%	83.09%

Note Disclosures:

Changes of benefit terms: There were no changes of benefit terms in FY 2025.

Changes of benefit assumptions: There were no changes of benefit assumptions in FY 2025.

Other Supplemental Information

Carney Nadeau Public School
Combining Balance Sheet
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Debt Retirement	Hot Lunch Fund	Activity Fund	Total
ASSETS				
Cash	$ -	$ 50,571	$ 96,936	$ 147,507
Due from other Governmental units	-	-	-	-
Prepaid expense	-	52	-	52
Accounts Receivable	-	1,363	-	1,363
Total Assets	$ -	$ 51,986	$ 96,936	$ 148,922
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	$ -	$ 10,080	$ -	$ 10,080
Accrued payroll and benefits	-	-	-	-
Total Liabilities	-	10,080	-	10,080
Fund Balances				
Non-spendable	-	52	-	52
Restricted	-	41,854	96,936	138,790
Total Fund Balances	-	41,906	96,936	138,842
Total Liabilities & Fund Balances	$ -	$ 51,986	$ 96,936	$ 148,922

Carney Nadeau Public School

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Debt Retirement	Hot Lunch Fund	Activity Fund	Total
REVENUE				
Local sources	$ -	$ 33,570	$ 117,033	$ 150,603
State sources	-	36,548	-	36,548
Federal sources	-	156,217	-	156,217
Total Revenue	-	226,335	117,033	343,368
EXPENDITURES				
Current:				
Supporting service	-	215,167	125,357	340,524
Debt Service:				
Principal	-	-	-	-
Interest and fees	11,237		-	11,237
Capital Outlay	-	-	-	-
Total Expenditures	11,237	215,167	125,357	351,761
Excess of Revenues-(Expenditures)	(11,237)	11,168	(8,324)	(8,393)
OTHER FINANCING SOURCES (USES)				
Transfers In(Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess Revenues and Other Resources Over (Under) Expenditures & Other Uses	(11,237)	11,168	(8,324)	(8,393)
Fund Balance July 1	11,237	30,738	105,260	147,235
Fund Balance June 30	$ -	$ 41,906	$ 96,936	$ 138,842

Carney Nadeau Public School
General Fund Schedule of Revenues
For the Year Ended
June 30, 2025

	Budgeted Amounts			Actual to Final Budget	Original to Final Budget
	Original	Final	Actual	Positive (Negative)	Positive (Negative
LOCAL SOURCES					
General property tax levy			$ 451,376		
Interest on investments			1,332		
Athletic revenue			17,306		
Donations			137,537		
Miscellaneous			23,797		
Total Local Sources	526,746	608,819	631,348	22,529	82,073
STATE SOURCES					
State school aid			1,780,895		
At Risk			256,960		
MPSRS			403,929		
Special education			210,989		
GSRP - Young 4 ISD			129,523		
Transportaion			67,168		
Other State aid			157,053		
Total State Sources	2,979,742	2,970,221	3,006,517	36,296	(9,521
FEDERAL SOURCES					
Title VI REAP			30,839		
Title I			34,985		
Title II Part A			5,718		
Title IV			10,000		
Grow your own			15,034		
GSRP Revenue			24,627		
Administrative Outreach Program			669		
Total Federal Sources	87,856	122,276	121,872	(404)	34,420
INTER-DISTRICT SERVICES					
School District - various programs	17,000	14,000	13,310	(690)	(3,000
OTHER					
Sale of School property					
Total Other	14,000	-	-	-	(14,000
Total Revenues	$ 3,625,344	$ 3,715,316	$ 3,773,047	$ 57,731	$ 89,972

Carney Nadeau Public School
General Fund Schedule of Expenditures
For the Year Ended
June 30, 2025

	Budgeted Amounts			Actual to Final Budget	Original to Final Budget
	Original	Final	Actual	Positive (Negative)	Positive (Negative)
INSTRUCTION - BASIC					
Elementary					
Salaries					
Teacher			$ 334,605		
Teacher Aide			22,497		
Teacher substitute			9,050		
Insurance			42,806		
FICA			26,880		
Retirement			176,356		
Workers Compensation			496		
Subscriptions			8,315		
Textbooks			2,037		
Student Loan Forgiveness			1,600		
Literacy improvements			23,472		
Miscellaneous			2,514		
Supplies and Materials			5,242		
Total Elementary	670,729	709,776	655,870	53,906	(39,047)
Middle					
Salaries					
Teacher			91,707		
Retirement			52,658		
FICA			6,641		
Workers Compensation			132		
Insurance			6,866		
Total Middle	206,191	169,269	158,004	11,265	36,922
High School					
Salaries					
Teacher			138,475		
Teacher substitute			19,317		
Insurance			37,926		
Retirement			92,508		
FICA			11,511		
Tuition			21,047		
Supplies and Materials			3,932		
Subscriptions			3,596		
Textbooks			3,747		
Workshop and travel			354		
Student Loan Forgiveness			2,200		
Miscellaneous			2,623		
Workers Compensation			142		
Total High School	446,348	354,700	337,378	17,322	91,648
TOTAL BASIC PROGRAMS	**1,323,268**	**1,233,745**	**1,151,252**	**82,493**	**89,523**

Carney Nadeau Public School
General Fund Schedule of Expenditures (continued)
For the Year Ended
June 30, 2025

	Budgeted Amounts			Actual to Final Budget	Original to Final Budget
	Original	Final	Actual	Positive (Negative)	Positive (Negativ
INSTRUCTION - ADDED NEEDS					
Special Education					
Salaries					
Teacher			146,444		
Admin services			106,090		
Teacher aide			39,925		
Teacher substitute			5,742		
Insurance			60,380		
Workers Compensation			596		
Retirement			107,368		
Travel and conferences			685		
FICA			21,265		
Supplies and materials			2,110		
Total Special Education	598,157	491,744	490,605	1,139	106,41
Young 4					
Salaries					
Teacher			35,512		
Teacher aide			18,142		
Teacher substitute			1,792		
STIPEND for Coach			5,206		
Administration fee			12,837		
Insurance			8,991		
Retirement			18,980		
FICA			4,383		
Workers Compensation			90		
Supplies and materials			6,913		
Team Event registration			4,000		
Miscellaneous			528		
Travel Expenses/Workshops			214		
Total Young 4	106,398	112,977	117,588	(4,611)	(6,57
Summer School					
Salaries					
Teachers			5,093		
Supplies			5,826		
Retirement			1,566		
FICA			346		
Workers Compensation			10		
Total Summer School	-	12,841	12,841	-	(12,84
Young 4 Transportation					
Salaries					
Driver			17,716		
Retirement			5,556		
FICA			1,355		
Total Young 4 Transportation	15,000	19,538	24,627	(5,089)	(4,53

Carney Nadeau Public School
General Fund Schedule of Expenditures (continued)
For the Year Ended
June 30, 2025

	Budgeted Amounts			Actual to Final Budget	Original to Final Budget
	Original	Final	Actual	Positive (Negative)	Positive (Negative)
ADDED NEEDS					
Vocational Education					
Salaries					
Teacher			22,841		
Supplies and miscellaneous			2,577		
Workers Comp			35		
Retirement			-		
FICA			1,774		
Total Vocational Education	27,597	27,999	27,227	772	(402)
Other Grants					
Private donations			19,594		
Outdoor seating area			5,522		
Computer cart 2%			2,400		
Voc-ed course fees			11,893		
Total Other Grants	11,000	38,611	39,409	(798)	(27,611)
Compensatory Education					
Salaries					
At Risk Teacher			83,974		
At Risk Teacher aide			32,505		
Tutor			5,366		
Title I aide			23,775		
Title II aide			4,205		
Title IV aide			7,654		
Retirement			37,265		
FICA			10,947		
Insurance			67,727		
Workers Compensation			802		
Materials and supplies			7,939		
Total Compensatory	180,336	282,493	282,159	334	(102,157)
Total Added Needs	**938,488**	**986,203**	**994,456**	**(8,253)**	**(47,715)**
					-
TOTAL INSTRUCTION-BASIC & ADDED NEEDS	**2,261,756**	**2,219,948**	**2,145,708**	**74,240**	**41,808**

Carney Nadeau Public School
General Fund Schedule of Expenditures (continued)
For the Year Ended
June 30, 2025

	Budgeted Amounts			Actual to Final Budget	Original to Final Budget
	Original	Final	Actual	Positive (Negative)	Positive (Negative
SUPPORTING SERVICES - INSTRUCTIONAL STAFF					
Educational Media Services					
Supplies			141		
Total Educational Media Services	-	141	141	-	(1
Guidance Services					
Salaries					
AR Counselor			16,677		
31aa Counselor			25,600		
Retirement			12,750		
Workers Compensation			21		
Insurance			1,983		
FICA			3,199		
Total Health Services	98,422	60,268	60,230	38	38,1
Total Instructional Staff	98,422	60,409	60,371	38	38,0
SUPPORTING SERVICES - IMPROVEMENT OF INSTRUCTION					
Grow your own	-	-	5,700	(5,700)	
Total Improvement of Instruction	-	-	5,700	(5,700)	
SUPPORTING SERVICES - GENERAL ADMINISTRATION					
Board of Education					
Per Diem			1,840		
Profesional development			99		
Contracted services			2,170		
FICA			141		
Dues and fees			693		
Teacher incentive			1,743		
Miscellaneous			980		
Total Board of Education	11,368	10,516	7,666	2,850	8
Executive Administration					
Salaries					
Superintendent			72,502		
SUPT Grant STIPEND (20%)			27,000		
Retirement			31,254		
FICA			6,910		
Workers Compensation			151		
Legal			3,275		
Audit			11,000		
Advertising			2,772		
Travel			-		
Insurance			26,523		
Miscellaneous			688		
Total Executive Administration	179,972	184,908	182,075	2,833	(4,9
Total General Administration	191,340	195,424	189,741	5,683	(4,0

Carney Nadeau Public School
General Fund Schedule of Expenditures (continued)
For the Year Ended
June 30, 2025

	Budgeted Amounts			Actual to Final Budget	Original to Final Budget
	Original	Final	Actual	Positive (Negative)	Positive (Negative)
SUPPORTING SERVICES - SCHOOL ADMINISTRATION SERVICES					
Office of the Principal					
Salaries					
Secretarial			23,275		
Secretarial sub			1,263		
Awards and certificates			923		
Office supplies			879		
Insurance			25,912		
Postage			1,915		
Retirement			8,362		
Miscellaneous			4,743		
FICA			1,421		
Workers compensation			84		
Total School Administration Services	69,992	75,158	68,777	6,381	(5,166)
Fiscal Services					
Salaries					
Secretarial			66,278		
Business-GSRP			10,000		
Insurance			25,217		
SDS fees			5,265		
Retirement			23,917		
FICA			5,031		
Workers Compensation			136		
Supplies			64		
Copier and expenses			11,323		
Tax chargebacks			1,737		
Total Fiscal Services	144,589	148,351	148,968	(617)	(3,762)
Total School Administration Services	214,581	223,509	217,745	5,764	(8,928)

Carney Nadeau Public School
General Fund Schedule of Expenditures (continued)
For the Year Ended
June 30, 2025

	Budgeted Amounts			Actual to Final Budget	Original to Final Budget
	Original	Final	Actual	Positive (Negative)	Positive (Negative)
SUPPORTING SERVICES - OPERATION AND MAINTENANCE					
Salaries					
Custodial			37,707		
Maintenance			44,152		
Summer custodial			9,765		
Supplies and materials			8,967		
Heating			33,432		
Electrical			28,047		
Contracted services			5,373		
Lawn service			2,060		
Water and sewer			1,589		
Refuse			3,976		
Insurance			6,452		
Repairs and maintenance			19,986		
Furniture and equipment			2,721		
Retirement			29,083		
FICA			6,872		
Workers Compensation			153		
Building insurance			43,258		
Risk consultants and mapping			1,000		
Communications			12,755		
Total Operation and Maintenance	344,947	319,663	297,348	22,315	25,284
SUPPORTING SERVICES - PUPIL TRANSPORTATION					
Salaries					
Supervisor			19,998		
Bus driver			68,411		
Bus driver substitute			10,077		
Special trips salary			10,099		
Repairs and maintenance labor			14,635		
Repairs and maintenance supplies			14,441		
Gasoline			8,968		
Diesel			27,515		
Drivers' physicals			782		
Employee insurance			2,605		
Insurance on buses			9,049		
Retirement			42,931		
FICA			8,117		
Workers Compensation			510		
Miscellaneous			4,455		
Communications			1,620		
Total Pupil Transportation	259,739	256,132	244,213	11,919	3,607
SUPPORTING SERVICES -					
Service technology			10,510		
Purch Serv (Powersch)			7,445		
Supplies and materials			9,711		
Total Management Services	28,500	33,382	27,666	5,716	(4,882)

Carney Nadeau Public School
General Fund Schedule of Expenditures (continued)
For the Year Ended
June 30, 2025

	Budgeted Amounts			Actual to Final Budget	Original to Final Budget
	Original	Final	Actual	Positive (Negative)	Positive (Negative)
SUPPORTING SERVICES - ATHLETIC EXPENSES					
Salaries					
Athletic director			7,396		
Coach			53,579		
Retirement			12,009		
FICA			4,614		
Workmans comp			91		
Meets and travel			4,110		
Referees and game manager			21,595		
Supplies and materials			6,245		
Total Athletic Expenses	109,216	112,065	109,639	2,426	(2,849)
Total Supporting Services	**1,246,745**	**1,200,584**	**1,152,423**	**48,161**	**46,161**
Other					
Energy Conservation Loan	15,000	14,520	14,495		
Homeless supplies		8,547	3,208		
Other operating expense			33,071		
Capital outlay		32,829	32,838		
Hannahville 1944 bldg grant		3,720	3,720		
Total Other	15,000	59,616	87,332	(27,716)	(44,616)
TOTAL GENERAL FUND EXPENDITURES	**$ 3,523,501**	**$ 3,480,148**	**$ 3,385,463**	**$ 94,685**	**$ 43,353**

Carney Nadeau Public School
Community School's Schedule of Revenues
For the Year Ended
June 30, 2025

	Budgeted Amounts			Actual to Final Budget	Original to Final Budget
	Original	Final	Actual	Positive (Negative)	Positive (Negative)
LOCAL SOURCES					
Enrichment			$ 1,792		
Recreation			3,556		
Other			4,906		
Total Local Sources	6,500	8,428	10,254	1,826	1,928
STATE SOURCES					
State school aid			615,164		
Total State Sources	642,637	615,375	615,164	(211)	(27,262)
FEDERAL SOURCES					
Federal aid			63,700		
Institutional aid			10,600		
Total Federal Sources	75,000	74,300	74,300	-	(700)
Total Revenues	$ 724,137	$ 698,103	$ 699,718	1,615	$ (26,034)

Carney Nadeau Public School
Community School's Schedule of Expenditures
For the Year Ended June 30, 2025

	Budgeted Amounts			Actual to Final Budget	Original to Final Budget
	Original	Final	Actual	Positive (Negative)	Positive (Negativ
INSTRUCTION					
Adult continuing education			$ 544,063		
Total Instruction	594,545	549,206	544,063	5,143	45,33
SUPPORTING SERVICES					-
Board of education	500	500	575		
Executive administration	96,274	89,711	78,678		
Operation and maintenance of plant	25,700	33,368	33,722		
Total Supporting Services	122,474	123,579	112,975	10,604	(1,10
COMMUNITY SERVICES					
Recreation			10,246		
Community services to schools			7,500		
Total Community Services	7,000	9,528	17,746	(8,218)	(2,528)
CAPITAL OUTLAY					
Equipment		-	-	-	-
Total Capital Outlay	-	-	-	-	-
Total Expenditures	$ 724,019	$ 682,313	$ 674,784	$ 7,529	$ 41,70

JOHNSON & RENNIE, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Joel T. Rennie, CPA
Rodney R. Johnson, CPA
Carl R. Sorensen, CPA

Members
American Institute of CPA's
Michigan Association of CPA's
Wisconsin Institute of CPA's

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

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 Governmental activities, each major fund and the aggregate remaining fund information of Carney Nadeau Public School as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise Carney Nadeau Public School basic financial statements and have issued our report thereon dated October 24, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the School District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings and Responses as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

900 26th Street • "At the Hattie Street Bridge" • Menominee, MI 49858 • 906-863-4457 • Fax 906-863-3444
240 French Street • P.O. Box 97 • Peshtigo, WI 54157-0097 • 715-582-4896
516 Brazeau Avenue • Suite 311 • P.O. Box 227 • Oconto, WI 54153-0227 • 920-834-2109 • Fax 920-834-4127
1012 East Main Street, Suite B • P.O. Box 25 • Pound, WI 54161-0025 • 920-897-2992

Compliance and other Matters

As part of obtaining reasonable assurance about whether Carney Nadeau Public School financial statements are free of material misstatements, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

School's Response to Findings

Carney Nadeau Public School's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit Carney Nadeau Public School's response and, accordingly, we express no opinion on it.

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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information and use of the Board of Education, management and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Johnson and Rennie, LLC
Menominee, Michigan
October 24, 2025

Carney Nadeau Public School
Schedule of Findings and Responses
For the Year Ended June 30, 2025

#2025-001 - Ability to Prepare Financial Statements and Related Note Disclosures

Criteria: Local units of Government are required to possess the ability to prepare its financial statements and related disclosures in accordance with generally accepted accounting principles.

Condition: Like other local units of Government of similar size, limited financial summaries and abbreviated financial statements are made available for the Members of the Board. The School District relies on its auditor to draft its financial statements and related disclosures in accordance with generally accepted accounting principles. Members of the Board review and accept the financial statements on behalf of the School District.

Cause: The School District does not have staff familiar enough with accounting standards to be able to draft the School District's financial statements and related footnotes.

Effect: We consider this condition to be a significant deficiency with nominal effect as the School District's Management possesses the skill and knowledge to prepare and monitor the annual budget and does understand all of the information included in the annual financial statements.

Recommendation: The hiring of additional personnel to prepare the financial statements would not be cost effective. Members of the Board should remain involved in the financial reporting process to provide over sight and independent review functions.

Response: The School District agrees and will continue to use the auditor's assistance in drafting its financial statements and will remain involved in the financial reporting process.

#2025-002 – Segregation of Duties

Criteria: Local units of Government including School Districts, are required to have a segregation of duties among its accounting department staff in accordance with sound accounting principles.

Condition: As in prior years it was noted that the School District has a lack of segregation of duties. One person handles almost all phases of the accounting and reporting of the School District's finances due to the small number of staff.

Cause: It has been determined not to be cost effective to hire more staff to help eliminate this lack of segregation.

Effect: The effect of this is minimal as the lack of segregation was mitigated by the Superintendent's supervision and the active oversight of the Board.

Recommendation: Although the size of the School District makes complete segregation of duties impossible, we again recommend that the accounting functions be reviewed by management on a regular basis and that the duties be periodically rotated between the staff.

Managements Response: The School District is in the process of cross training accounting staff and duties will be rotated in the absence of accounting personnel. Management will continue to closely monitor the accounting functions.

Carney Nadeau Public School
Schedule of Prior Year Findings and Responses
For the Year Ended June 30, 2025

#2024-001 - Ability to Prepare Financial Statements and Related Note Disclosures

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