

DICKINSON-IRON INTERMEDIATE
SCHOOL DISTRICT

REPORT ON FINANCIAL STATEMENTS
(with additional information)

For the Year Ended June 30, 2025

DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

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DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

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ANDERSON, TACKMAN & COMPANY, P.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

A Regional Firm with Offices throughout Michigan

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Dickinson-Iron Intermediate School District
Kingsford, Michigan

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund and the internal service fund information, of the Dickinson-Iron Intermediate School District ("District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the internal service fund information of the District, as of June 30, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As described in Note 12 to the financial statements, for the year ended June 30, 2025, the District adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and the pension and other post-employment benefits schedules as reported in the table of contents be presented to supplement the basic financial statements. Such information, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.



ANDERSON, TACKMAN & COMPANY, PLC
Certified Public Accountants
Iron Mountain, Michigan

October 29, 2025

Dickinson-Iron Intermediate School District
Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

Fund Financial Statements

The Fund Financial Statements are similar to financial presentations of years past, but are focused on the District's Major Funds rather than fund types as in the past. The two Account Groups: General Fixed Assets and General Long-Term Debt are no longer reported. Consistent with previous years, the fund statements are reported using the modified accrual method of accounts. Under this basis of accounting, revenues are recorded when received, except when they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period those goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as an asset. Debt payments are recorded as expenditures in the current year, and future debt obligations are not recorded.

Fund types include the General Fund, Special Education Fund, Technical Education Fund, Early Childhood Fund, Capital Projects Fund, and TE Capital Projects Fund. The General Fund, Special Education Fund, and Technical Education Fund are used primarily to account for the general education requirements of the District. Its revenues are derived from property taxes, state and federal distributions and grants, and other intergovernmental revenues. The Early Childhood Fund is used to record the funding and payment of activities associated with the Head Start/Early Head Start program. The Capital Projects Fund and TE Capital Projects Fund are used to account for financial resources to be used for the acquisition, construction, or improvements of major capital facilities.

Dickinson-Iron Intermediate School District
Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

Dickinson-Iron Intermediate School District's Management Discussion and Analysis is intended to assist the reader to focus on significant financial issues, provide an overview of the District's financial activity, and identify changes in the District's financial position including its ability to address the next and subsequent years' challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board (GASB) Statement No. 34 (GASB 34) as amended by GASB Statement No. 63, GASB Statement No. 65, and GASB Statement No. 68 and 75, GASB Statement No. 71 an amendment of GASB Statement No. 68, GASB Statement No. 84, GASB Statement No. 87, GASB Statement No. 96, and GASB Statement No. 101 and is intended to provide the financial results for the fiscal year ending June 30, 2025.

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

Basic Financial Statements

District-Wide Financial Statements

Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplementary Information)
(Other than MD&A expanded)

As mentioned, GASB 34, as amended by GASB Statement No. 63 and 65, requires the presentation of two basic types of financial statements: District-Wide Financial Statements and Fund Financial Statements.

District-Wide Financial Statements

The District-Wide Financial Statements provide a perspective of the District as a whole. These financial statements use the full accrual basis of accounting similar to private sector companies. There are two District-Wide Financial Statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position combines and consolidates governmental funds: current financial resources (short-term available resources) (assets, liabilities, and deferred outflows/inflows of resources) with capital assets and long-term obligations, regardless of their current availability.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various District services.

Dickinson-Iron Intermediate School District
Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

Financial Analysis of the District as a Whole

Summary of Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Assets:		
Current assets	\$ 10,937,240	\$ 10,428,999
Net non-current assets	<u>8,233,615</u>	<u>4,795,576</u>
Total assets	<u>19,170,855</u>	<u>15,224,575</u>
Deferred pension and OPEB outflows	<u>6,976,879</u>	<u>8,265,709</u>
Liabilities:		
Current liabilities	3,623,410	3,511,119
Long term liabilities	<u>15,616,822</u>	<u>19,137,230</u>
Total liabilities	<u>19,240,232</u>	<u>22,648,349</u>
Deferred pension and OPEB inflows	<u>8,224,923</u>	<u>5,434,880</u>
Net position: *		
Net investment in capital assets	5,525,377	4,432,029
Restricted	2,619,232	2,255,769
Unrestricted	<u>(9,462,030)</u>	<u>(11,280,743)</u>
Total net position	<u>\$ (1,317,421)</u>	<u>\$ (4,592,945)</u>

* See Note 12 for prior period adjustment

The School District's net position totaled \$(1,317,421) at June 30, 2025, compared to \$(4,592,945) at June 30, 2024. Total net position can be separated into three categories: net investment in capital assets, restricted and unrestricted assets.

Net investment in capital assets is a combination of funds available for capital assets less accumulated depreciation and related debt. The original cost of capital assets was \$9,980,233 at June 30, 2025, and \$8,673,517 at June 30, 2024. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with Generally Accepted Accounting Principles (GAAP), depreciation expense is recorded on the original cost of the asset, less any estimated salvage value, expensed over the estimated use life of the assets. Total accumulated depreciation was \$4,454,856 at June 30, 2024, and \$4,241,488 at June 30, 2024. There is no debt related to capital assets at June 30, 2025 and 2024.

Restricted net position is comprised of funds restricted for Special Education and Technical Education. Total restricted net position was \$2,619,232 at June 30, 2025 and \$2,255,769 at June 30, 2024.

Dickinson-Iron Intermediate School District
Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

The remaining balance of unrestricted net position represents a deficit balance of \$(9,462,030) at June 30, 2025, and \$(11,280,743) at June 30, 2024. The deficit balances are a result of GASB Statement No. 68, GASB Statement No. 75, and GASB Statement No. 101 effective for fiscal years beginning after June 15, 2014, June 15, 2017 and December 15, 2023 respectively. Additional information regarding GASB Statement No. 68, No. 75 and No. 101 can be found in the audit report under Note 8, Note 9, and Note 12.

The results of this year's operations for the School District as a whole are reported in the Statement of Activities. A summary of the District-Wide results of operations for the years ended June 30, 2025 and June 30, 2024 is as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Program revenue		
Charges for services - local and support	\$ 1,842,828	\$ 1,272,161
Operating grants - federal, state, and local	<u>6,449,191</u>	<u>6,460,737</u>
Total program revenue	<u>8,292,019</u>	<u>7,732,898</u>
General revenue		
Property taxes levied for general operations	5,731,903	4,445,863
State revenue sharing	8,540,416	7,652,052
Other-federal, state, and local	<u>362,443</u>	<u>313,648</u>
Total general revenue	<u>14,634,762</u>	<u>12,411,563</u>
Total revenue	<u>22,926,781</u>	<u>20,144,461</u>
Expenses		
Instruction	5,826,098	5,239,562
Support services	12,812,369	11,859,223
Community services	629,965	536,483
Depreciation (unallocated)	<u>382,825</u>	<u>326,599</u>
Total expenses	<u>19,651,257</u>	<u>17,961,867</u>
Increase in net position	3,275,524	2,182,594
Net Position July 1 *	<u>(4,592,945)</u>	<u>(6,775,539)</u>
Net Position June 30	<u>\$ (1,317,421)</u>	<u>\$ (4,592,945)</u>

* See Note 12 for prior period adjustment

Dickinson-Iron Intermediate School District
Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

GOVERNMENTAL FUNDS FINANCIAL HIGHLIGHTS

The overall condition of the governmental funds has increased in revenues and increased in expenditures from June 30, 2025 compared to June 30, 2024. The major reason is more local, state, and federal revenue and an increase in expenditures for employee salaries and benefits.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The District's budgets are prepared according to Michigan law and are initially adopted prior to July 1 of each year, before student enrollment counts are known. Therefore, it is expected that there will be changes between the initial budget and subsequent budgets, as actual enrollments are known. The most significant funds budgeted are the General Fund, Special Education Fund, Technical Education Fund, and Early Childhood Fund. All the funds' operating budgets were amended each month during the fiscal year.

General Fund Operations

In the General Fund operations, the actual revenue for fiscal year June 30, 2025 was \$5,458,399. This is below the original budget of \$7,416,818 and above the final budget of \$5,372,247 - a variance of 1.60%. The actual expenditures of the general fund for fiscal year June 30, 2025 operations were \$5,594,531. This is below the original budget of \$6,919,792 and below the final budget of \$5,621,790 - a variance of less than 1%.

Variance Explanations from the Original Budget to Final Budget

Revenue: The major difference from our original budget to the final budget was due to additional funds for local and state revenue being deferred at fiscal year-end.

Expenditures: The major difference from our original budget to the final budget was due to additional expenditures being deferred in relation to local and state revenues being deferred.

Variance Explanations from the Final Budget to Actual

Revenue: The variance of final budget to actual was mainly due to receiving more in local and payments from other governmental units revenue than what was budgeted at June 30th.

Expenditures: The variance of final budget to actual was mainly due to less spending in Instructional, Support Services & Community Services as of June 30th.

Other Fund Variances

The variances between the actual revenues and the original and final revenue budgets are due primarily to the following:

- Property tax changes as well as more State Aid and Federal revenue received than originally budgeted.

The variances between the actual expenditures and the original and final expenditure budgets are due primarily to the following:

- Changes in staffing and wage and benefit increases

Dickinson-Iron Intermediate School District
Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

GOVERNMENTAL FUND EXPENDITURES

Below is a summary of the governmental fund expenditures and their percentages as they relate to total governmental funds:

	Total Expenditures June 30, 2025		Total Expenditures June 30, 2024	
		Percentage		Percentage
General Fund	\$ 6,229,767	26.09%	\$ 5,805,524	28.22%
Special Education	8,231,629	34.47%	7,700,119	37.42%
Technical Education	4,329,493	18.13%	3,292,955	16.00%
Early Childhood	3,755,295	15.73%	3,592,914	17.46%
Capital Projects	1,250,019	0.82%	184,267	0.90%
TE Capital Projects	82,400	0.36%	-	0.00%
Total Expenditures	\$ 23,878,603	100.00%	\$ 20,575,779	100.00%

TOTAL REVENUES

Below is a summary of the governmental fund revenues and their percentages as they relate to governmental funds.

	Total Revenue June 30, 2025		Total Revenue June 30, 2024	
		Percentage		Percentage
State revenue sharing	\$ 8,540,416	35.01%	\$ 7,652,052	36.07%
Prop taxes general operation	5,731,903	23.50%	5,672,872	26.74%
Operating grants federal, state, local	6,449,191	26.44%	5,746,172	27.09%
Charges for services - local/support	1,842,828	7.55%	718,215	3.39%
Other federal, state, and local	361,172	1.48%	353,834	1.67%
Transfers in	1,467,958	6.02%	1,068,596	5.04%
Total Revenues	\$ 24,393,468	100.00%	\$ 21,211,741	100.00%

Unrestricted State Aid

Special Education is predominately funded by State Aid based on a blended count formula that the State of Michigan utilizes. General Fund receives unrestricted Section 81 monies for general operations.

Dickinson-Iron Intermediate School District
Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

Property Taxes

The District levies 3.144 mills of property taxes on all Non-Homestead property located within the District for operations. The levy is assessed on the taxable value of the property. The increase in taxable value is limited to the lesser of the inflation rate of the prior year or 5%. When a property is sold, the taxable valuation of the sold property is readjusted to the State Equalized Value, which is approximately 50% of market value.

Operating Grants Federal, State, and Local

The District is heavily dependent upon Grant funding. Below are some of the major grants and their funding sources:

State:	Early Childhood Block Grant, Early Literacy, 31n-Mental Health, Great Start Readiness, Special Ed Foundation, 35J Early Literacy, 23H Early Math, CTE Early Middle College and Added Costs.
Federal:	Early On, General Supervision, Flow-Through, Pre-School, Perkins, Head Start, and Early Head Start.
Local:	Medicaid Billing

ENROLLMENT

Special Education is the only fund that receives State Aid based on student enrollment. The enrollment has remained steady.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2025, the District had \$9,980,233 invested in land and building, furniture and equipment, vehicles and buses compared to \$8,673,517 at June 30, 2024. Of this amount, \$4,454,856 and \$4,241,488 has been depreciated at June 30, 2024 and June 30, 2024, respectively. Net book value totaled \$5,525,377 at June 30, 2025, and \$4,432,029 at June 30, 2024. The District maintains a \$10,000 threshold for capitalization of assets.

Outstanding Debt at Year End

As of June 30, 2025 and 2024 the District had no outstanding debt related to bonds and loans.

For more detailed information regarding capital assets and debt administration, please review the Notes to the Basic Financial Statements located in the financial section of this report.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This report is designed to give an overview of the financial conditions of the Dickinson-Iron Intermediate School District. For additional detailed financial information contact:

Richelle Barker, Director of Finance
Dickinson-Iron Intermediate School District
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Phone (906) 302-3304; rbarker@diisd.org

DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2025

	<u>Governmental Activities</u>
ASSETS:	
Current assets:	
Cash and equivalents	\$ 6,368,463
Receivables:	
Taxes	10,895
Accounts	225,533
Prepaid expenses	21,704
Due from other governments	4,310,645
Total current assets	<u>10,937,240</u>
Noncurrent assets:	
Capital assets	9,980,233
Accumulated depreciation	(4,454,856)
Net other post employment benefits asset	2,708,238
Total noncurrent assets	<u>8,233,615</u>
TOTAL ASSETS	<u>19,170,855</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension outflow	5,925,601
Other post employment benefits outflow	1,051,278
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>6,976,879</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	556,022
Accrued liabilities	188,599
Unearned revenue	2,694,018
Compensated absences	139,324
Early retirement & years of service payout	45,447
Total current liabilities	<u>3,623,410</u>
Noncurrent liabilities:	
Compensated absences	145,492
Early retirement & years of service payout	13,720
Net pension liability	15,457,610
Total noncurrent liabilities	<u>15,616,822</u>
TOTAL LIABILITIES	<u>19,240,232</u>
DEFERRED INFLOWS OF RESOURCES:	
Pension inflow	4,549,269
Other post employment benefits inflow	3,675,654
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,224,923</u>
NET POSITION:	
Net investment in capital assets	5,525,377
Restricted	2,619,232
Unrestricted	(9,462,030)
TOTAL NET POSITION	<u>\$ (1,317,421)</u>

The accompanying notes to the financial statements are an integral part of this statement.





DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
PRIMARY GOVERNMENT:					
Governmental Activities:					
Instruction	\$ (5,826,098)	\$ 442,305	\$ 2,014,181	\$ -	\$ (3,369,612)
Support	(12,812,369)	1,400,523	4,050,814	-	(7,361,032)
Community service	(629,965)	-	384,196	-	(245,769)
Depreciation	(382,825)	-	-	-	(382,825)
TOTAL PRIMARY GOVERNMENT	(19,651,257)	1,842,828	6,449,191	-	(11,359,238)
General revenues:					
Property taxes					\$ 5,731,903
State revenue sharing					8,540,416
Grants and contributions not restricted to specific programs					207,383
Unrestricted investment earnings					27,189
Other					127,871
Total general revenues and transfers					14,634,762
Changes in net position					3,275,524
Net position, beginning of year, restated *					(4,592,945)
Net position, end of year					\$ (1,317,421)

* See Note 12

The accompanying notes to the financial statements are an integral part of this statement.

DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2025

	General	Special Education	Technical Education
ASSETS:			
Cash and equivalents	\$ 2,054,386	\$ 215,274	\$ 349,957
Taxes receivable	577	5,120	5,198
Accounts receivable	220,335	-	3,745
Prepaid expenses	19,807	750	1,147
Due from other funds	1,005,725	-	-
Due from other governments	800,948	2,213,289	201,789
TOTAL ASSETS	<u>\$ 4,101,778</u>	<u>\$ 2,434,433</u>	<u>\$ 561,836</u>
LIABILITIES:			
Accounts payable	\$ 370,178	\$ 83,744	\$ 57,276
Accrued liabilities	15,500	106,025	45,141
Due to other funds	-	-	-
Unearned revenue	2,629,799	31,682	8,845
TOTAL LIABILITIES	<u>3,015,477</u>	<u>221,451</u>	<u>111,262</u>
FUND BALANCE AND OTHER CREDITS:			
Fund balances:			
Nonspendable	19,807	750	1,147
Restricted	-	2,212,232	407,000
Committed	-	-	42,427
Assigned	-	-	-
Unassigned	1,066,494	-	-
TOTAL FUND BALANCE AND OTHER CREDITS	<u>1,086,301</u>	<u>2,212,982</u>	<u>450,574</u>
TOTAL LIABILITIES, FUND BALANCE AND OTHER	<u>\$ 4,101,778</u>	<u>\$ 2,434,433</u>	<u>\$ 561,836</u>



**ANDERSON, TACKMAN
& COMPANY, P.L.C.**
CERTIFIED PUBLIC ACCOUNTANTS



Early Childhood	Capital Projects	TE Capital Projects	Total Governmental Funds
\$ -	\$ 2,474,728	\$ 829,694	\$ 5,924,039
-	-	-	10,895
1,453	-	-	225,533
750	-	-	22,454
-	-	-	1,005,725
1,093,869	-	-	4,309,895
<u>\$ 1,096,072</u>	<u>\$ 2,474,728</u>	<u>\$ 829,694</u>	<u>\$ 11,498,541</u>
\$ 44,722	\$ 102	\$ -	\$ 556,022
21,933	-	-	188,599
1,005,725	-	-	1,005,725
23,692	-	-	2,694,018
<u>1,096,072</u>	<u>102</u>	<u>-</u>	<u>4,444,364</u>
-	-	-	21,704
-	-	-	2,619,232
-	-	-	42,427
-	2,474,626	829,694	3,304,320
-	-	-	1,066,494
<u>-</u>	<u>2,474,626</u>	<u>829,694</u>	<u>7,054,177</u>
<u>\$ 1,096,072</u>	<u>\$ 2,474,728</u>	<u>\$ 829,694</u>	<u>\$ 11,498,541</u>

The accompanying notes to the financial statements are an integral part of this statement.

DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

For the Year Ended June 30, 2025

Total fund balances for governmental funds \$ 7,054,177

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 62,375
Construction in process	137,900
Buildings and improvements	6,809,253
Equipment and vehicles	<u>2,970,705</u>

Total capital assets	9,980,233
Accumulated depreciation	<u>(4,454,856)</u>

Net capital assets 5,525,377

Deferred outflows of resources and deferred inflows of resources related to pensions (including other post employment benefits - OPEB) are not financial resources and therefore are not reported in the funds. Those resources consist of:

Deferred outflows of pension and OPEB resources	6,976,879
Deferred inflows of pension and OPEB resources	<u>(8,224,923)</u>

Net deferred pension and OPEB sources (1,248,044)

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

Net pension liability	\$ (15,457,610)
Net OPEB asset	2,708,238
Compensated absences	(284,816)
Teachers early retirement and years of service	<u>(59,167)</u>

(13,093,355)

Internal service fund activity 444,424

Total net position of governmental activities \$ (1,317,421)



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2025

	General	Special Education	Technical Education
REVENUES:			
Local Sources	\$ 869,756	\$ 3,437,310	\$ 2,997,288
State Sources	4,113,665	3,219,152	954,760
Federal Sources	474,978	1,793,476	56,703
TOTAL REVENUES	<u>5,458,399</u>	<u>8,449,938</u>	<u>4,008,751</u>
EXPENDITURES:			
Instruction	157,688	2,333,382	1,944,493
Supporting services	5,141,794	4,403,266	1,082,576
Community services	295,049	10,309	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>5,594,531</u>	<u>6,746,957</u>	<u>3,027,069</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(136,132)</u>	<u>1,702,981</u>	<u>981,682</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	351,911	29,850	-
Payments from other governmental units	796,665	94,321	336,957
Other sources	9,732	4,263	2,401
Payments to other governmental units	(635,236)	(1,269,776)	(168,374)
Transfers out	<u>-</u>	<u>(214,896)</u>	<u>(1,134,050)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>523,072</u>	<u>(1,356,237)</u>	<u>(963,066)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	386,940	346,744	18,616
FUND BALANCE, JULY 1	<u>699,361</u>	<u>1,866,238</u>	<u>431,958</u>
FUND BALANCE, JUNE 30	<u><u>\$ 1,086,301</u></u>	<u><u>\$ 2,212,982</u></u>	<u><u>\$ 450,574</u></u>



**ANDERSON, TACKMAN
& COMPANY, P.L.C.**
CERTIFIED PUBLIC ACCOUNTANTS



Early Childhood	Capital Projects	TE Capital Projects	Total Governmental Funds
\$ 132,270	\$ 7,891	\$ 897	\$ 7,445,412
252,839	-	-	8,540,416
3,370,186	-	-	5,695,343
<u>3,755,295</u>	<u>7,891</u>	<u>897</u>	<u>21,681,171</u>
1,408,381	-	-	5,843,944
1,831,593	-	82,400	12,541,629
391,809	-	-	697,167
-	1,250,019	-	1,250,019
<u>3,631,783</u>	<u>1,250,019</u>	<u>82,400</u>	<u>20,332,759</u>
<u>123,512</u>	<u>(1,242,128)</u>	<u>(81,503)</u>	<u>1,348,413</u>
-	175,000	911,197	1,467,958
-	-	-	1,227,943
-	-	-	16,396
-	-	-	(2,073,386)
<u>(123,512)</u>	<u>-</u>	<u>-</u>	<u>(1,472,458)</u>
<u>(123,512)</u>	<u>175,000</u>	<u>911,197</u>	<u>(833,547)</u>
-	(1,067,128)	829,694	514,866
-	3,541,754	-	6,539,311
<u>\$ -</u>	<u>\$ 2,474,626</u>	<u>\$ 829,694</u>	<u>\$ 7,054,177</u>

The accompanying notes to the financial statements are an integral part of this statement.

DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2024

Net changes in fund balances - total governmental funds	\$ 514,866
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is capitalized and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay, net of disposals, of \$1,504,081 exceeded depreciation expense, net of disposals, of \$382,825.	1,093,348
--	-----------

The change in net deferred outflow/inflows and pension and OPEB liability is not recorded in the governmental funds. However, in the statement of activities this change is recognized as an adjustment to instruction, support and community service expenses as it relates to these categories.	1,837,934
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Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the following net changes:

Compensated absences	(168,744)
Early retirements & years of service	22,759
Internal service fund activity	<u>(24,639)</u>
Changes in net position of governmental activities	<u>\$ 3,275,524</u>



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

**STATEMENT OF NET POSITION
INTERNAL SERVICE FUND**

June 30, 2025

ASSETS:

Current assets:

Cash and equivalents

\$ 444,424

NET POSITION:

Unrestricted

\$ 444,424

**ANDERSON, TACKMAN
& COMPANY, P.L.C.**
CERTIFIED PUBLIC ACCOUNTANTS



The accompanying notes to the financial statements are an integral part of this statement.

DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND**

For the Year Ended June 30, 2025

OPERATING EXPENSES:

Termination benefits	\$ (30,410)
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NON-OPERATING REVENUES (EXPENSES):

Other	1,271
Transfers in	4,500

TOTAL NON-OPERATING REVENUES (EXPENSES)	5,771
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Change in net position	(24,639)
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NET POSITION, BEGINNING OF YEAR	469,063
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NET POSITION, END OF YEAR	\$ 444,424
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ANDERSON, TACKMAN
& COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



The accompanying notes to the financial statements are an integral part of this statement.

DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

**STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND**

For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Payments for operating expenses	\$ (30,410)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Other	<u>5,771</u>
NET (DECREASE) IN CASH AND EQUIVALENTS	(24,639)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>469,063</u>
CASH AND EQUIVALENTS, END OF YEAR	<u><u>\$ 444,424</u></u>

**ANDERSON, TACKMAN
& COMPANY, P.L.C.**
CERTIFIED PUBLIC ACCOUNTANTS



The accompanying notes to the financial statements are an integral part of this statement.

DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Dickinson-Iron Intermediate School District (“District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units, as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*. Some of the significant changes in the statement include the following:

- A Management’s Discussion and Analysis section providing an analysis of the District’s overall financial position and results of operations.

- Financial statements prepared using full accrual accounting for all the District’s activities.

- A change in the fund financial statements to focus on the major funds.

Effective for periods beginning after December 15, 2011, GASB Statement No. 63, effective for periods after December 15, 2012, GASB 65 amends Statement No. 34, and effective for periods beginning after June 15, 2015, GASB Statement No. 68 an amendment of GASB Statement No. 27, and GASB Statement No. 71 an amendment of GASB Statement No. 68. Statement No. 63 and No. 65 establish standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Statements No. 68, 71 and 75 establish standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expense/expenditures for defined benefit pension plans and Other Post-Employment Benefits. Effective for periods beginning after December 15, 2019, GASB Statement No. 84 establishes standards for reporting fiduciary activities. GASB Statement No. 87, effective for periods beginning after June 15, 2021, establishes lease reporting standards. GASB Statement No. 96, effective for periods beginning after June 15, 2022, establishes subscription-based information technology arrangements. GASB Statement No. 101, effective for periods beginning after December 15, 2023, establishes recognition and measurement guidance for compensated absences.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The District has implemented the provisions of these Statements.

A. Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement No. 14, *The Financial Reporting Entity* and as amended by GASB Statement No. 61.

The criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity’s financial statements include budget adoption, taxing authority, funding, appointment of the respective governing board, and scope of public service.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Based on the foregoing criteria, it has been determined that there are no component units of the Dickinson-Iron Intermediate School District.

B. Basic Financial Statements – Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). The government-wide financial statements categorize primary activities as either governmental or business type. All of the District's activities are classified as governmental activities except for fiduciary activities.

In the government-wide Statement of Net Position, both the governmental activities column (a) is presented on a consolidated basis, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in two parts – net investment in capital assets, restricted, and unrestricted.

The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.).

The District does not allocate indirect costs. In creating the government-wide financial statements the District has eliminated interfund transactions.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenditures. Government 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 various funds are grouped into generic fund types in two broad fund categories as follows:



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds - Governmental funds are used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities, except for those accounted for in fiduciary funds. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

General Fund - The General Fund is the primary operating fund of the District. It is used to account for all financial transactions of the District, except those required to be accounted for in other funds.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or capital projects) that are legally restricted to expenditures for specified purposes. The District uses the Special Revenue Fund to account for the Dickinson-Iron Intermediate School District's activity.

Capital Project Funds – Capital Project Funds are used to account for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Internal Service Funds – Internal Service Funds are used to finance, administer, and account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis.

Account Groups – Account groups are used to establish accounting control and accountability for the District's general fixed assets and long-term obligations. The following are the District's account groups:

General Fixed Assets – This group of accounts was established to account for all general fixed assets of the District.

General Long-Term Obligations – This group of accounts has been established to account for unmatured general long-term obligations and certain other liabilities of the District not expected to be liquidated through the use of available expendable financial resources.

D. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus. The government-wide statement uses the economic resources measurement focus.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrual

Governmental activity in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after the year end. A one-year period is used for revenue recognition for all other governmental fund revenues. Those revenues prone to accrual are property taxes, federal aid, interest-revenue, and charges for services.

The District reports deferred revenue on its governmental fund balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

State Foundation Revenue - For the fiscal year ended June 30, 2025, the State of Michigan adopted a foundation grant approach which provides for a specific annual amount of revenue per student based on a state-wide formula. In previous years, the state utilized a district power equalizing approach. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the year ended June 30, 2025, the foundation allowance was based on 10% of the pupil membership count taken in February of 2024 and 90% taken in October of 2024.

Expenditures and related liabilities are recognized when obligations are incurred as a result of the receipt of goods and services. Modifications include:

Principal and interest on general long-term debt are recorded as fund liabilities when due, or when amounts have been accumulated in the debt service fund for payments of principal and interest to be made early in the following year.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and equivalent balances for individual funds are pooled unless maintained in segregated accounts.

F. Interfund Balances and Transfers

The current portion of lending/borrowing arrangements between funds are identified as "due to/from other funds". The non-current portion of outstanding balances between funds are reported as "advances to/from other funds". Advances between funds are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not expendable available financial resources.

Transfers represent a flow of assets without equivalent flows of assets in return or a requirement for repayment.

G. Capital Assets

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value on the date received.

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

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Buildings and additions	20-50 years
Buses and other vehicles	5-10 years
Furniture and other equipment	5-20 years

The District has adopted a capitalization policy of \$10,000.

H. Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

Amounts representing accumulated vacation and personal leave expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the government fund that will pay it.

J. Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied as of December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity. School District property tax revenues are recognized as revenue when levied to the extent they result in current receivables (collected within sixty days after year end). Amounts received subsequent to August 31 are recognized as revenue when collected.

The District, along with certain other governmental units, is permitted by the Constitution of the State of Michigan of 1963 to levy combined taxes up to \$50 per \$1,000 of assessed valuation for general governmental services other than the payment of Debt Service Fund expenses if approved by a majority of the electors. The District must include certain tax levies of other governmental units located within the District, primarily the county, when determining the maximum millage of \$50 per \$1,000 of assessed valuation. For the year ended June 30, 2025, the District levied the following amounts per \$1,000 of assessed valuation:

<u>Fund Mills</u>	
General Fund - Non-Homestead	.1665
Special Education	1.4775
Technical Education	1.5

K. Unemployment Insurance

The District reimburses the Unemployment Insurance Agency (UIA) for the actual amount of unemployment benefits disbursed by the UIA on behalf of the District. Billings received for amounts paid by the UIA through June 30 are accrued.

L. Fund Balance

Nonspendable fund balance represents the amount that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. Restricted fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Committed fund balance represents the amount that can only be used for specific purposes pursuant to formal action by the Board of Education. Commitments may be modified or rescinded only through action approved by the Board of Education. Assigned fund balances represent amounts set aside by the governing body for specific purposes, but do not meet the definition of restricted or committed fund balance.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the District's policy, amounts may be assigned by the Director of Finance under the authorization of the Board of Education. The unassigned fund balances for governmental funds represent the amount available for budgeting future operations.

M. Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end. The District follows these procedures in establishing the budgetary date reflected in the financial statements:

1. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budget is at the functional level as set forth in the combined statement of revenues, expenditures and changes in fund balances - budget and actual - all governmental fund types.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated, or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred unless authorized in the budget, or in excess of the amount appropriated. Any expenditure in violation of the budgeting act are disclosed as unfavorable variances on the combined statement of revenues, expenditures and changes in fund balances - budget and actual (GAAP basis) - all governmental fund types.
4. The Superintendent is authorized to transfer budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
5. Formal budgetary integration is employed as a management control device during the year for the general fund.
6. The budget as presented, has been amended. Supplemental appropriations were made during the year with the last one approved June 11, 2025.

The budget for the year ended June 30, 2025 was adopted on June 12, 2024 and formally amended at each monthly board of education meeting.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A comparison of actual results of operations to the budgeted amounts (at the level of control adopted by the Board of Education) for the General Fund, Special Education Fund, Technical Education Fund, and Early Childhood Education Fund are presented as Required Supplementary Information.

N. Pension:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about fiduciary net position of the Michigan Public School Employees Retirement Systems (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported to MPERS. For this purpose, benefit payments (including refunds or employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Other Post-Employment Benefits:

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement Systems (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported to MPERS. For this purpose, benefit payments (including refunds or employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – CASH AND INVESTMENTS

Cash and Equivalents

The District's cash and equivalents, as reported in the Statement of Net Position, consisted of the following:

Checking accounts	\$6,367,863
Petty Cash	<u>600</u>
TOTAL	<u>\$6,368,463</u>

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. State law requires the District's Deposit Accounts be fully insured. As of June 30, 2025, the District's cash and equivalents were fully insured.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 3 – INTERFUND BALANCES AND TRANSFERS

Interfund transfers and balances for the year ended June 30, 2025 are as follows and represent amounts transferred to other funds to cover expenses incurred in the other funds.

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund:		
Special Education	\$ -	\$ 214,896
Technical Education	-	47,853
Early Childhood	-	89,162
Total	-	351,911
Special Education:		
General Fund	214,896	-
Early Childhood	-	29,850
Total	214,896	29,850
Technical Education:		
General Fund	47,853	-
TE Capital Projects	911,197	-
Capital Projects	175,000	-
Total	1,134,050	-
Early Childhood:		
General Fund	89,162	-
Internal Service	4,500	-
Special Education	29,850	-
Total	123,512	-
Internal Service:		
Early Childhood	-	4,500
Total	-	4,500
TE Capital Projects:		
Technical Education	-	911,197
Total	-	911,197
Capital Projects:		
Technical Education	-	175,000
Total	-	175,000
Totals	\$ 1,472,458	\$ 1,472,458
	<u>Due To</u>	<u>Due From</u>
General Fund:		
Early Childhood	\$ -	\$ 1,005,725
Early Childhood:		
General Fund	1,005,725	-
Total	\$ 1,005,725	\$ 1,005,725



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 4 – CAPITAL ASSETS

A summary of changes in general fixed assets for the year ended June 30, 2025 follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
<i>Assets not subject to depreciation:</i>				
Land	\$ 62,375	\$ -	\$ -	\$ 62,375
Construction in progress	74,981	100,400	(37,481)	137,900
<i>Assets subject to depreciation:</i>				
Buildings and improvements	5,446,295	1,277,957	(12,660)	6,711,592
Equipment and vehicles	<u>3,089,866</u>	<u>163,205</u>	<u>(184,705)</u>	<u>3,068,366</u>
TOTALS	8,673,517	<u>\$ 1,541,562</u>	<u>\$ (234,846)</u>	9,980,233
Accumulated depreciation	<u>(4,241,488)</u>	<u>\$ (382,825)</u>	<u>\$ 169,457</u>	<u>(4,454,856)</u>
Net capital assets	<u>\$ 4,432,029</u>			<u>\$ 5,525,377</u>

Depreciation for the year ended June 30, 2025, amounted to \$382,825. The District determined that it was impractical to allocate depreciation to various governmental activities as the assets serve multiple functions.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 5 – LONG-TERM OBLIGATIONS

During the year ended June 30, 2025, the following changes occurred in long-term obligations:

	Balance July 1, 2024	Additions	Repayments	Balance June 30, 2025	Amounts Due Within One Year
Employee Benefits:					
Yrs. Of Serv. Leave Payout	\$ 38,926	\$ -	\$ (3,259)	\$ 35,667	\$ 31,447
Sick Leave *	116,072	168,744	-	284,816	139,324
Teachers Early Retirement	43,000	-	(19,500)	23,500	14,000
Net OPEB Liability	(363,547)	-	(2,344,691)	(2,708,238)	-
Net Pension Liability	<u>19,029,726</u>	<u>-</u>	<u>(3,572,116)</u>	<u>15,457,610</u>	<u>-</u>
TOTALS	<u>\$ 18,825,251</u>	<u>\$ 168,744</u>	<u>\$ (5,939,566)</u>	<u>\$ 13,093,355</u>	<u>\$ 184,771</u>

* See Note 12

NOTE 6- BONDS AND NOTES PAYABLE

Long-term obligations at June 30, 2025 are comprised of the following amounts:

1. Sick pay	\$ 284,816
2. Years of Service Leave Payout	35,667
3. A commitment to pay equal monthly installments for each year beginning September 1 of the first school year of retirement. On January 1 of each year during which the retirement incentives are due, the retirees may elect to receive the entire amount due for that calendar year in a lump sum.	23,500
4. Net pension liability	15,457,610
5. Net OPEB liability	<u>(2,708,238)</u>
TOTAL LONG-TERM OBLIGATIONS	<u>\$13,093,355</u>



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 6 – BONDS AND NOTES PAYABLE (Continued)

The annual requirements to amortize long-term obligations outstanding as of June 30, 2025 are as follows:

<u>Year Ended June 30</u>	<u>Sick Leave</u>	<u>Yrs of Serv. Leave and Early Retirement</u>	<u>Pension & OPEB Liability</u>	<u>Total</u>
2026	\$ 139,324	\$ 45,447	\$ -	\$ 184,771
2027	-	6,251	-	6,251
2028	-	5,751	-	5,751
2029	-	858	-	858
2030	145,492	860	-	146,352
2031-2035	-	-	12,749,372	12,749,372
TOTALS	\$ 284,816	\$ 59,167	\$ 12,749,372	\$ 13,093,355

Interest expense for the year ended June 30, 2025 was \$0.

NOTE 7 – FUND BALANCES

Portions of fund balances are nonspendable, restricted, committed, or assigned and not available for general purposes other than fund usage as follows:

General Fund – Nonspendable – prepaid expenses	<u>\$19,807</u>
Special Education – Restricted for special education operations	<u>\$2,212,232</u>
Nonspendable – prepaid expense	<u>\$750</u>
Technical Education – Restricted for technical education operations	<u>\$407,000</u>
Committed for Iron County net millage increase	<u>\$42,427</u>
Nonspendable – prepaid expense	<u>\$1,147</u>
Capital Projects – Assigned for capital projects	<u>\$2,474,626</u>
TE Capital Projects – Assigned for capital projects	<u>\$829,694</u>
TOTAL	<u>\$5,987,683</u>

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PLAN

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PLAN (Continued)

Plan Description (Continued)

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

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.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PLAN (Continued)

Contributions (Continued)

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	3.0 - 6.4%	19.17%
Pension Plus 2	6.2%	20.10%
Defined Contribution	0.0%	13.90%

Required contributions to the pension plan from the District were \$2,639,733 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, 2024, the District reported a liability of \$15,457,610 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2023. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2024, the District's proportion was .06313863 percent, which was an increase of .0043433 percent from its proportion measured as of September 30, 2023.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PLAN (Continued)

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

For the year ended June 30, 2025, the District recognized pension expense of \$1,758,721. At June 30, 2025, the District 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	\$419,376	\$167,949
Changes of Assumptions	\$1,611,547	\$1,132,554
Net difference between projected and actual earnings on pension plan investments	\$-	\$2,949,967
Changes in proportion and differences between Employer contributions and proportionate share of contributions	\$1,508,413	\$298,799
Employer contributions subsequent to the measurement date	\$2,386,265	\$-
Total	<u>\$5,925,601</u>	<u>\$4,549,269</u>

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 expense as reported in the table on the following page:



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PLAN (Continued)

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

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
Year Ending September 30	Amount
2025	\$2,263,489
2026	\$483,426
2027	\$(734,879)
2028	\$(635,704)

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.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PLAN (Continued)

Actuarial Assumptions (Continued)

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:	
- MIP and Basic Plans (Non-Hybrid):	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 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.

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 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 MPSEERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT 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%
% Alternative Investment Pools	16.0	9.0
International Equity	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.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PLAN (Continued)

Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan 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, 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.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

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

1% Decrease 5.0%	Current Single Discount Rate Assumption 6.0%	1% Increase 7.0%
\$22,661,022	\$15,547,610	\$9,459,383

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

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



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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 (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's 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).

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.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Benefits Provided (Continued)

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 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	
		Universities	Non-Universities
Premium Subsidy	3.00%	1.53%	8.31%
Personal Healthcare Fund (PHF)	0.00%	0.00%	7.06%

Required contributions to the OPEB plan from the District were \$522,978 for the year ended September 30, 2024.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

At June 30, 2025, the District reported a liability of \$(2,708,238) 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. The District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2024, the District's proportion was .06291793 percent, which was a decrease of .001347230 percent from its proportion measured as of October 1, 2023.

For the year ending June 30, 2025, the District recognized OPEB expense of \$(905,742). At June 30, 2025, the District 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	\$-	\$2,869,905
Changes of Assumptions	\$591,518	\$67,990
Net difference between projected and actual earnings on OPEB plan investments	\$-	\$512,700
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$420,830	\$225,059
Employer contributions subsequent to the measurement date	\$38,930	\$-
Total	<u>\$1,051,278</u>	<u>\$3,675,654</u>



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

2025	\$(818,220)
2026	\$(531,376)
2027	\$(538,948)
2028	\$(443,514)
2029	\$(239,512)
Thereafter	\$(52,806)

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.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions (Continued)

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: 6.50% Year 1 graded to 3.5% Year 15
Mortality:	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.
Retirees:	
Active members:	PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
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.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions (Continued)

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, 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%
% Alternative Investment Pools	16.0	9.0
International Equity	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.





DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Rate of Return

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on OPEB plan investment, net of OPEB 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.

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 the District's proportionate share of the net OPEB liability to changes in the discount rate

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

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
\$(2,092,949)	\$(2,708,238)	\$(3,240,221)

Sensitivity of the District's proportionate share of the net OPEB liability to Healthcare Cost Trend Rate

The following presents the District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the District'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:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$(3,240,226)	\$(2,708,238)	\$(2,137,683)

DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(Continued)

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Plan Fiduciary Net Position

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

NOTE 10 – RISK MANAGEMENT

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

The District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance.

NOTE 11 – USE OF ESTIMATES

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

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPALS & PRIOR PERIOD ADJUSTMENT

Governmental Accounting Standards Board Statement 101, Compensated Absences, is effective for periods beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement establishes the requirement for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

Beginning net position as previously reported	\$	(4,525,212)
Adjustment for GASB 101		<u>(67,733)</u>
Beginning net position as corrected	\$	<u><u>(4,592,945)</u></u>



**ANDERSON, TACKMAN
& COMPANY, P.L.C.**
CERTIFIED PUBLIC ACCOUNTANTS

REQUIRED SUPPLEMENTARY INFORMATION

DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND**

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis) (Note 1)	Variance
	Original	Final		
REVENUES:				
Local sources	\$ 920,496	\$ 799,641	\$ 869,756	\$ 70,115
State sources	6,346,847	4,499,414	4,113,665	(385,749)
Federal sources	149,475	73,192	474,978	401,786
TOTAL REVENUES	7,416,818	5,372,247	5,458,399	86,152
EXPENDITURES:				
Instruction	97,908	161,060	157,688	(3,372)
Supporting services	6,475,404	5,163,895	5,141,794	(22,101)
Community services	346,480	296,835	295,049	(1,786)
TOTAL EXPENDITURES	6,919,792	5,621,790	5,594,531	(27,259)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	497,026	(249,543)	(136,132)	113,411
OTHER FINANCING SOURCES (USES):				
Transfers in	-	351,911	351,911	-
Payments received from other governmental units	-	800,018	796,665	(3,353)
Other sources	532,680	-	9,732	9,732
Payments to other governmental units	(1,052,013)	(635,867)	(635,236)	631
TOTAL OTHER FINANCING SOURCES (USES)	(519,333)	516,062	523,072	7,010
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(22,307)	266,519	386,940	120,421
FUND BALANCE, JULY 1	699,361	699,361	699,361	-
FUND BALANCE, JUNE 30	\$ 677,054	\$ 965,880	\$ 1,086,301	\$ 120,421

The accompanying notes to the financial statements are an integral part of this statement.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL EDUCATION FUND**

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis) (Note 1)	Variance
	Original	Final		
REVENUES:				
Local sources	\$ 2,992,945	\$ 3,453,686	\$ 3,437,310	\$ (16,376)
State sources	2,806,998	3,203,552	3,219,152	15,600
Federal sources	2,376,623	1,857,547	1,793,476	(64,071)
TOTAL REVENUES	8,176,566	8,514,785	8,449,938	(64,847)
EXPENDITURES:				
Instruction	2,286,391	2,333,309	2,333,382	73
Supporting services	4,574,914	4,476,390	4,403,266	(73,124)
Community services	7,855	13,356	10,309	(3,047)
TOTAL EXPENDITURES	6,869,160	6,823,055	6,746,957	(76,098)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,307,406	1,691,730	1,702,981	11,251
OTHER FINANCING SOURCES (USES):				
Transfers in	29,850	29,850	29,850	-
Payments from other governmental units	-	92,415	94,321	1,906
Other sources	191,205	-	4,263	4,263
Payments to other governmental units	(1,136,792)	(1,258,260)	(1,269,776)	(11,516)
Other uses	(211,992)	-	-	-
Transfers out	-	(214,896)	(214,896)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,127,729)	(1,350,891)	(1,356,237)	(5,346)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	179,677	340,839	346,744	5,905
FUND BALANCE, JULY 1	1,866,238	1,866,238	1,866,238	-
FUND BALANCE, JUNE 30	\$ 2,045,915	\$ 2,207,077	\$ 2,212,982	\$ 5,905

The accompanying notes to the financial statements are an integral part of this statement.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
TECHNICAL EDUCATION FUND**

For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis) (Note 1)</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ 1,800,334	\$ 2,995,271	\$ 2,997,288	\$ 2,017
State sources	828,698	949,080	954,760	5,680
Federal sources	56,643	55,703	56,703	1,000
 TOTAL REVENUES	 2,685,675	 4,000,054	 4,008,751	 8,697
EXPENDITURES:				
Instruction	1,892,853	1,952,912	1,944,493	(8,419)
Supporting services	1,084,007	1,079,183	1,082,576	3,393
 TOTAL EXPENDITURES	 2,976,860	 3,032,095	 3,027,069	 (5,026)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(291,185)	967,959	981,682	13,723
OTHER FINANCING SOURCES (USES):				
Payments received from other governmental units	512,413	336,957	336,957	-
Other sources	-	-	2,401	2,401
Payments to other governmental units	(174,218)	(168,374)	(168,374)	-
Transfers out	(47,000)	(1,121,043)	(1,134,050)	(13,007)
 TOTAL OTHER FINANCING SOURCES (USES)	 291,195	 (952,460)	 (963,066)	 (10,606)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	10	15,499	18,616	3,117
 FUND BALANCE, JULY 1	 431,958	 431,958	 431,958	 -
 FUND BALANCE, JUNE 30	 \$ 431,968	 \$ 447,457	 \$ 450,574	 \$ 3,117

The accompanying notes to the financial statements are an integral part of this statement.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
EARLY CHILDHOOD FUND**

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis) (Note 1)	Variance
	Original	Final		
REVENUES:				
Local sources	\$ 27,100	\$ 114,590	\$ 132,270	\$ 17,680
State sources	226,050	245,805	252,839	7,034
Federal sources	3,336,793	3,405,413	3,370,186	(35,227)
TOTAL REVENUES	3,589,943	3,765,808	3,755,295	(10,513)
EXPENDITURES:				
Instruction	1,337,549	1,397,768	1,408,381	10,613
Supporting services	1,759,615	1,858,251	1,831,593	(26,658)
Community services	373,767	390,777	391,809	1,032
TOTAL EXPENDITURES	3,470,931	3,646,796	3,631,783	(15,013)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	119,012	119,012	123,512	4,500
OTHER FINANCING SOURCES (USES):				
Transfers out	(119,012)	(119,012)	(123,512)	(4,500)
TOTAL OTHER FINANCING SOURCES (USES)	(119,012)	(119,012)	(123,512)	(4,500)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, JULY 1	-	-	-	-
FUND BALANCE, JUNE 30	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.





DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN

LAST 10 FISCAL YEARS (Amounts were determined as of 9/30 of each fiscal year)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
A. Reporting unit's proportion of net pension liability (%)	0.63138600%	0.05879530%	0.05628299%	0.05860767%	0.05637663%	0.05470606%	0.05445129%	0.05443526%	0.05401819%	0.05218%
B. Reporting unit's proportionate share of net pension liability	\$ 15,457,610	\$ 19,029,726	\$ 21,167,312	\$ 13,875,608	\$ 19,365,986	\$ 18,116,808	\$ 16,369,041	\$ 14,106,490	\$ 13,477,096	\$ 12,744,810
C. Reporting unit's covered-employee payroll	\$ 6,728,057	\$ 6,479,475	\$ 5,214,108	\$ 5,417,166	\$ 5,165,547	\$ 4,808,590	\$ 4,667,568	\$ 4,536,010	\$ 4,619,921	\$ 4,423,385
D. Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll (%)	229.74850%	293.69241%	405.96229%	256.14146%	374.90678%	376.75926%	350.69743%	310.98895%	291.71702%	288.12346%
E. Plan fiduciary net position as a percentage of total pension liability	74.83%	66.30%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

The accompanying notes to the financial statements are an integral part of this statement.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE REPORTING UNIT'S PENSION CONTRIBUTIONS

MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN

LAST 10 FISCAL YEARS (Amounts were determined as of 6/30 of each fiscal year)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
A. Statutorily required contributions	\$ 2,616,004	\$ 2,119,048	\$ 1,915,640	\$ 1,759,767	\$ 1,756,446	\$ 1,534,652	\$ 1,445,555	\$ 1,380,497	\$ 1,429,187	\$ 1,360,376
B. Contributions in relation to statutorily required contributions*	\$ 2,616,004	\$ 2,119,048	\$ 1,915,640	\$ 1,759,767	\$ 1,756,446	\$ 1,534,652	\$ 1,445,555	\$ 1,380,497	\$ 1,429,187	\$ 1,360,376
C. Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Reporting unit's covered-employee payroll	\$ 7,312,078	\$ 6,617,782	\$ 6,223,055	\$ 5,395,137	\$ 5,443,805	\$ 5,108,682	\$ 4,771,813	\$ 4,641,133	\$ 4,517,602	\$ 4,520,629
E. Contributions as a percentage of covered-employee payroll	35.77648%	32.02052%	30.78295%	32.61765%	32.26504%	30.04008%	30.29362%	29.74483%	31.63597%	30.09263%

* Contributions in relation to statutorily required contributions are the contributions an employer actually made to the System, as distinct from the statutorily required contributions.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN

LAST 10 FISCAL YEARS (Amounts were determined as of 9/30 of each fiscal year)

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
A. Reporting unit's proportion of net OPEB liability (%)			0.62917930%	0.06426516%	0.05342425%	0.05968385%	0.05806158%	0.05489484%	0.05478887%	0.05435625%
B. Reporting unit's proportionate share of net OPEB liability			\$ (2,708,238)	\$ (363,547)	\$ 1,131,559	\$ 911,001	\$ 3,110,514	\$ 3,940,213	\$ 4,355,141	\$ 4,813,502
C. Reporting unit's covered-employee payroll			\$ 6,728,057	\$ 6,479,475	\$ 6,479,475	\$ 5,214,108	\$ 5,165,547	\$ 4,808,590	\$ 4,667,568	\$ 4,536,010
D. Reporting unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll (%)			-40.25290%	-5.61075%	17.46375%	17.47185%	60.21655%	81.94113%	93.30643%	106.11754%
E. Plan fiduciary net position as a percentage of total OPEB liability			143.96%	105.72%	83.00%	87.33%	59.44%	48.46%	42.95%	36.39%

The accompanying notes to the financial statements are an integral part of this statement.



DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE REPORTING UNIT'S OPEB CONTRIBUTIONS

MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN

LAST 10 FISCAL YEARS (Amounts were determined as of 6/30 of each fiscal year)

	<u>2027</u>	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
A. Statutorily required OPEB contributions			\$ 522,978	\$ 500,623	\$ 406,950	\$ 443,060	\$ 450,325	\$ 404,250	\$ 371,708	\$ 338,673
B. OPEB contributions in relation to statutorily required contributions*			\$ 522,978	\$ 500,623	\$ 406,950	\$ 443,060	\$ 450,325	\$ 404,250	\$ 371,708	\$ 338,673
C. Contribution deficiency (excess)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Reporting unit's covered-employee payroll			\$ 7,312,078	\$ 6,617,782	\$ 6,617,782	\$ 6,223,055	\$ 5,443,805	\$ 5,108,682	\$ 4,771,813	\$ 4,641,133
E. OPEB contributions as a percentage of covered-employee payroll			7.15225%	7.56482%	6.14934%	7.11965%	8.27225%	7.91300%	7.78966%	7.29721%

* Contributions in relation to statutorily required OPEB contributions are the contributions an employer actually made to the OPEB Plans, as distinct from the statutorily required contributions.

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

Board of Education
Dickinson-Iron Intermediate School District
Kingsford, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the internal service fund information of the Dickinson-Iron Intermediate School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Dickinson-Iron Intermediate School District's basic financial statements, and have issued our report thereon dated October 29, 2025.

Reports on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given the 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.

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Dickinson-Iron Intermediate School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



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

Purpose of this Report

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

Anderson Tackman & Co. PLLC

ANDERSON, TACKMAN & COMPANY, PLC
Certified Public Accountants
Iron Mountain, Michigan

October 29, 2025

ANDERSON, TACKMAN
& COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS





ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

A Regional Firm with Offices throughout Michigan

Iron Mountain Office:

Shane M. Ellison, CPA, PC - Principal
Lynn M. Mott, MSA - Principal

Michelle Christian, BSA - Senior

Member of:

Private Companies Practice Section
American Institute of Certified
Public Accountants

October 29, 2025

To the Board of Education
Dickinson-Iron Intermediate School District

We have audited the financial statements of the governmental activities, each major fund, and the internal service fund of the Dickinson-Iron Intermediate School District for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 3, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Dickinson-Iron Intermediate School District are described in Note 1 to the financial statements. The Dickinson-Iron Intermediate School District changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards (GASB statement) No. 101, Compensated Absences in 2025. We noted no transactions entered into by Dickinson-Iron Intermediate School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the sick, vacation, and personal time used in the subsequent year is based on a three-year estimate of sick, vacation, and personal time utilized. We evaluated the methods, assumptions, and data used to develop the estimate of the sick, vacation, and personal time used in the subsequent year in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 29, 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 Dickinson-Iron Intermediate 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.

Other Audit Findings or Issues

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

Other Matters

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

Restriction on Use

This information is intended solely for the use of the Board of Education and management of the Dickinson-Iron Intermediate School District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

ANDERSON, TACKMAN & COMPANY, PLC

By: Shane M. Ellison, CPA, PC

By:

A handwritten signature in dark ink, appearing to read 'Shane M. Ellison', written over a horizontal line.

Shane M. Ellison, President