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September 3, 2024

To the Board of Education
Grand Ledge Public Schools

In planning and performing our audit of the financial statements of Grand Ledge Public Schools as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Grand Ledge Public Schools' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted one matter involving internal control and other operational matters that is presented for your consideration. This letter does not affect our report dated September 3, 2024 on the financial statements of Grand Ledge Public Schools. We will review the status of this comment during our next audit engagement. Our comment and recommendation, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, perform any additional study of this matter, or assist you in implementing the recommendations. Our comment is summarized as follows.

Food Service Fund Balance

Per Michigan Department of Education (MDE) guidelines, school food authorities (SFA) must operate food services on a nonprofit basis. We noted that the food service fund balance exceeded the three months' operating expenditures allowed. MDE requires that the SFA spend down the excess by the end of the next school year. We recommend that Grand Ledge Public Schools develop a plan to spend down the excess by June 30, 2025 and submit the plan to MDE.

This report is intended solely for the information and use of management, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation we received from your staff during our engagement and the opportunity to be of service.

Very truly yours,



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September 3, 2024

To the Board of Education
Grand Ledge Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Ledge Public Schools for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Grand Ledge Public Schools are described in Note 1 to the financial statements. As described in Note 14 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 100 *Accounting Changes and Error Corrections*, during the year ended June 30, 2024. We noted no transactions entered into by the Grand Ledge Public Schools 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 estimates affecting the financial statements of the governmental activities were:

Estimates have been used to calculate the net pension liability and the net other postemployment benefit liability. We evaluated the key factors and assumptions used to develop the balance of the net pension liability and net other postemployment benefit liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate in calculating the liability for employee compensated absences. We evaluated the key factors and assumptions used to develop the balance of employee compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's determination of the estimated life span of the capital assets. We evaluated the key factors and assumptions used by management to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any sensitive disclosures.

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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, 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 September 3, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Grand Ledge Public Schools 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 Grand Ledge Public Schools 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 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.

We were engaged to report on other supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the management and members of the Board of Education of Grand Ledge Public Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

GRAND LEDGE PUBLIC SCHOOLS

REPORT ON FINANCIAL STATEMENTS
(with required supplementary and
additional supplementary information)

YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Grand Ledge Public Schools

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level 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 Grand Ledge Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Grand Ledge Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grand Ledge Public Schools' basic financial statements. The accompanying additional supplementary information, as identified in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information, including the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2024 on our consideration of Grand Ledge Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Grand Ledge Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grand Ledge Public Schools' internal control over financial reporting and compliance.

Maney Costeiran PC

September 3, 2024

GRAND LEDGE PUBLIC SCHOOLS MANAGEMENT'S DISCUSSION AND ANALYSIS

Grand Ledge Public Schools, a K-12 School District is located in Eaton, Clinton and Ionia Counties, Michigan. The Management's Discussion and Analysis is intended to be the Grand Ledge Public Schools administration's discussion and analysis of the financial results for the fiscal year ended June 30, 2024.

Generally accepted accounting principles (GAAP) require reporting of two types of financial statements: District-wide financial statements and fund financial statements.

Fund Financial Statements

The fund level financial statements are reported on the modified accrual basis. Only those assets "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual". In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in the relevant funds including the Debt Funds, 2019, 2021, 2023, and 2024 Bond Capital Projects Funds, Capital Improvement (Sinking and General Capital Projects) Funds, and Special Revenue Funds comprised of Food Service, Community Education, Student/School Activities, and the Student Bookstore.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No assets are reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future years' debt obligations are not reported.

District-Wide Financial Statements

The District-wide financial statements are full accrual-based statements. They report all of the District's assets, deferred outflows, liabilities, and deferred inflows, both short and long term, regardless if they are "currently available" or not.

Capital assets and long-term obligations of the District are reported in the Statement of Net Position of the District-wide financial statements.

**GRAND LEDGE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Summary of Net Position

The following is a summary of the District's net position at June 30, 2024 and 2023.

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Current and other assets	\$ 85,836,055	\$ 76,848,140
Net other post employment benefits asset	1,808,067	-
Capital assets, net of depreciation	<u>162,025,524</u>	<u>141,999,263</u>
Total assets	<u>249,669,646</u>	<u>218,847,403</u>
Deferred outflows of resources	<u>41,395,821</u>	<u>52,310,202</u>
Other liabilities	14,751,893	11,482,411
Other noncurrent liabilities	162,698,731	143,947,412
Net pension liability	105,318,801	121,693,162
Net other postemployment benefits liability	<u>-</u>	<u>6,950,297</u>
Total liabilities	<u>282,769,425</u>	<u>284,073,282</u>
Deferred inflows of resources	<u>31,582,633</u>	<u>24,134,320</u>
Net position		
Net investment in capital assets	49,548,890	46,473,483
Restricted	6,748,783	3,955,444
Unrestricted	<u>(79,584,264)</u>	<u>(87,478,924)</u>
Total net position	<u>\$ (23,286,591)</u>	<u>\$ (37,049,997)</u>

**GRAND LEDGE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Analysis of Financial Position

During fiscal year ended June 30, 2024, the District's net position increased by \$13,763,406. A few of the significant factors affecting net position during the year are discussed below:

A. Governmental Fund Operations

In the District's governmental funds, expenditures exceeded revenues by \$18,824,198 for the fiscal year ended June 30, 2024. When Other Financing Sources (Uses) are included, revenues and other financing sources exceeded expenditures and other financing sources (uses) by \$6,059,923 due to proceeds from sale of capital assets of \$36,718, and the proceeds from sale of bonds and associated bond premium of \$24,710,000, and \$137,403, respectively. See the section entitled Major Governmental Funds Budgeting and Operating Highlights below for further discussion of governmental fund operations.

B. Depreciation/Amortization Expense

The provisions of GASB Statement No. 34 require the District to maintain a record of annual depreciation/amortization expense and accumulated depreciation/amortization. The net increase in accumulated depreciation/amortization is a reduction in net position. Depreciation/amortization expense is recorded using a straight-line method over the estimated useful lives of the assets. In accordance with generally accepted accounting principles, depreciation/amortization expense is recorded based on the original cost of the asset less an estimated salvage value. For the year ended June 30, 2024, the depreciation/amortization expense was \$5,591,019.

C. Capital Acquisitions

Capital outlay for the year ended June 30, 2024 totaled \$25,774,878 primarily due to \$745,550 in capital outlay expenditures in the 2019 Capital Projects Proposal II Fund, \$20.9 million in capital outlay expenditures in the 2021 Capital Projects Proposal I Fund, \$446,552 in capital outlay expenditures in the 2021 Capital Projects Proposal II Fund, \$2.3 million in capital outlay expenditures in the 2023 Capital Projects Fund, and \$11,700 in capital outlay expenditures in the 2024 Capital Projects Fund. Capital outlay was offset by the current year's depreciation expense of \$5,591,019. The result was an increase in net position from capital outlay of \$20,183,859.

D. Debt Repayments and Issuance

The District repaid existing debt and issued new debt during the fiscal year. This resulted in a net increase the District's long-term principal obligations thus contributing to a decrease in the net position of the School District. The District repaid \$4,990,595 of long-term debt, issued \$24,710,000 of new debt during the year ended June 30, 2024.

**GRAND LEDGE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Results of Operations

The results of this year's operations for the District as a whole are reported in the Statement of Activities. As the following table indicates, net position increased for the year ending June 30, 2024. With an increase in taxable values, and federal and state funding, total unrestricted and restricted revenue increased in 2024. The District also experienced an increase in operating expenses. Capital outlay spending continues as the District makes progress on the 2019, 2021, 2023, and 2024 capital project funds.

	2024	2023
Revenue		
General revenue		
Property taxes, levied for general purposes	\$ 11,778,209	\$ 10,771,943
Property taxes, levied for debt service	10,662,675	9,955,361
Property taxes, levied for sinking fund	1,494,910	1,395,928
State of Michigan aid, unrestricted	37,381,789	34,515,889
Interest and investment earnings, net	2,580,570	1,113,838
Other general revenue	453,367	599,173
Total general revenue	64,351,520	58,352,132
Program revenue		
Charges for services	3,368,867	4,323,062
Operating grants and contributions	29,464,944	23,149,340
Total revenue	97,185,331	85,824,534
Expenses		
Instruction	38,972,604	39,824,700
Supporting services	27,018,135	26,251,370
Community services	2,718,405	2,948,655
Food services	2,644,057	2,008,517
School store	19,705	17,230
Student/school activities	444,572	459,352
Interest on long-term debt	6,013,428	5,289,789
Depreciation/Amortization - unallocated	5,591,019	5,311,467
Total expenses	83,421,925	82,111,080
Change in net position	\$ 13,763,406	\$ 3,713,454

The General Fund, and 2019, 2021, 2023, and 2024 Capital Projects and combined Debt Retirement Funds are reported separately as major funds in the fund financial statements. Funds reported as "Total Nonmajor Funds" in the fund financial statements include the Special Revenue Funds, and Non-Major Capital Project Funds.

**GRAND LEDGE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Major Funds

The annual fund financial statements provide the following insights about the results of this year's operations:

A. General Fund

As a percentage of total expenditures, the General Fund experienced an increase in fund equity of \$1,686,070 or 2.38% of total expenditures for the year ending June 30, 2024. The beginning fund balance was \$7,369,933 as of July 1, 2023 and the ending total fund balance was \$9,056,003 at June 30, 2024, which equates to 12.80% of total expenditures for the year.

B. 2019 Capital Projects Fund - Proposal II

Spending on the 2019 Proposal II bond project continued in the current fiscal year which translated to a decrease in fund balance of \$745,550. The beginning fund balance was \$745,550 as of July 1, 2023 and the ending total fund balance was \$0 at June 30, 2024.

C. 2021 Capital Projects Fund - Proposal I

Spending on the 2021 Proposal I bond project continued in the current fiscal year which translated to a decrease in fund balance of \$20,125,942. The beginning fund balance was \$23,313,016 as of July 1, 2023 and the ending total fund balance was \$3,187,074 at June 30, 2024.

D. 2021 Capital Projects Fund - Proposal II

Spending on the 2021 Proposal II bond project continued in the current fiscal year which translated to a decrease in fund balance of \$427,319. The beginning fund balance was \$703,764 as of July 1, 2023 and the ending total fund balance was \$276,445 at June 30, 2024.

E. 2023 Capital Projects Fund

Spending on the 2023 bond project continued in the current fiscal year which translated to a decrease in fund balance of \$1,278,394. The beginning fund balance was \$22,185,006 as of July 1, 2023 and the ending total fund balance was \$20,906,612 at June 30, 2024.

F. 2024 Capital Projects Fund

Spending on the 2024 bond project began in the current fiscal year. The primary activity within this fund was related to the proceeds of the bond and bond premiums, and spending on capital outlay and debt issuance costs, which translated to an increase in fund balance of \$24,480,361. The beginning fund balance was \$0 as of July 1, 2023 and the ending total fund balance was \$24,480,361 at June 30, 2024.

G. Combined Debt Service Fund

During fiscal year 2023-2024, the District combined all debt service funds into one fund. The primary activity within this fund was related to the collection of tax millage collected for the service of the District's long-term debt, and the payment of principal and interest on this debt. This activity translated to an increase in fund balance of \$110,046. The restated beginning fund balance was \$2,012,966 as of July 1, 2023 and the ending total fund balance was \$2,123,012 at June 30, 2024.

**GRAND LEDGE PUBLIC SCHOOLS
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Major Funds (continued)

H. Other Nonmajor Funds

Other nonmajor governmental funds experienced an increase in fund balance of \$2,360,651 during the year. The beginning restated fund balance on July 1, 2023 was \$9,974,653 and at June 30, 2024 the fund balance was \$12,335,304. The Sinking Fund, approved by voters in September of 2002, finished its thirteenth year. The fund balance in the sinking fund increased during 2023-2024 by \$1,022,492 for a total fund balance at year-end of \$3,904,129. Major uses of the sinking fund include the purchase of property and renovations to the existing capital infrastructure. The fund balance in the Food Service Fund increased during 2023-2024 by \$297,196 for a total fund balance at year-end of \$1,260,585. The District also maintains other special revenue funds, and a general capital projects fund.

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, based on facts and assumptions known at the time of the initial budget preparation. It is expected that there will be changes between the initial budget and subsequent budgets, as many factors are not known at the time of adoption of the initial budget. Some of these factors include enrollment changes and resultant staffing adjustments, staffing changes that take place during the year, state school aid adjustments, grant allocations, and other unforeseeable events. As a matter of practice, the District amends its budget periodically during the fiscal year to adjust for these changes. The District prepares budgets for the General Fund, Special Revenue Funds, Debt Service Fund, and Sinking Fund.

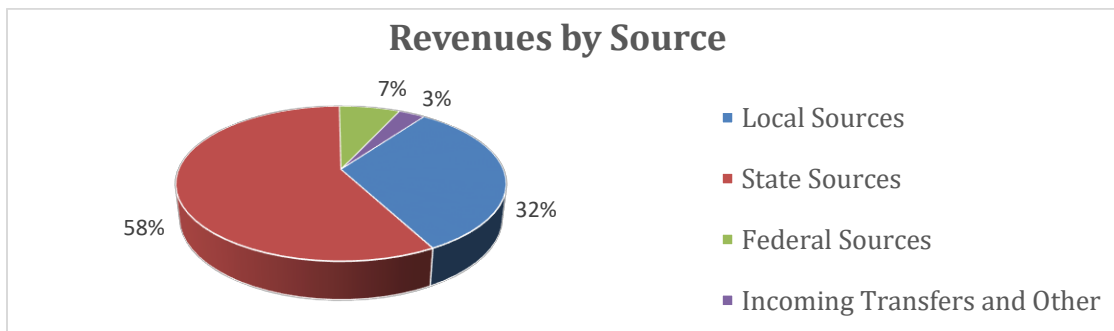
General Fund

In the General Fund, actual revenue was \$74.0 million. This is above the original budget estimate of \$71.2 million and below the final amended budgeted amount of \$74.6 million. The actual expenditures of the General Fund were \$70.7 million. This is below the original budget estimate of \$72.1 million and below the final amended budgeted amount of \$73.1 million, a variance of \$2,341,381 or 3.20% of expenditures.

The General fund revenues exceeded expenditures by \$3,239,352, for the year ending June 30, 2024. After adjusting for net uses of Other Financing Sources and Uses of \$1,553,282 revenues and other financing sources exceeded expenditures and other financing uses by \$1,686,070. The ending fund balance in the General Fund for the year ending June 30, 2024 was \$9,056,003, which is 12.80% of expenditures of \$70,744,046. For the prior year which ended June 30, 2023, the fund balance was \$7,369,933, which was 10.35% of expenditures of \$71,145,358.

Governmental Fund Revenues

Revenues for all governmental funds totaled \$94.5 million for 2023-2024. The following graph illustrates the District’s revenues by source as a percentage of total revenue:



**GRAND LEDGE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental Fund Revenues (continued)

A. Unrestricted State Aid

Unrestricted state aid is determined by the following three variables: (1) State of Michigan student foundation allowance; (2) student enrollment for the year, blended at 90 percent of the current year's fall student count and 10 percent of the prior year's spring student count; and (3) the District's non-principal residence exempt property tax levy.

Annually, the State of Michigan establishes the per student foundation allowance. For the year ended June 30, 2024, the foundation allowance for Grand Ledge Public Schools was established at \$9,608, resulting in an increase of \$458 from the funding level for 2022-2023. Student enrollment for state aid for the 2023-2024 year was 5,302, an increase of 233 full time equivalent students over the prior year.

The following schedule summarizes the District's blended student enrollment in full-time equivalencies and per student Foundation Allowance for the 2023-2024 and the previous ten years:

Year	Student Enrollment	Change from Prior Year	Foundation Allowance	Change from Prior Year
2023 / 2024	5,302	233	\$ 9,608	\$ 458
2022 / 2023	5,069	161	9,150	450
2021 / 2022	4,908	(381)	8,700	589
2020 / 2021	5,289	(92)	8,111	-
2019 / 2020	5,381	41	8,111	240
2018 / 2019	5,340	87	7,871	240
2017 / 2018	5,253	(14)	7,631	120
2016 / 2017	5,267	96	7,511	120
2015 / 2016	5,171	75	7,391	265
2014 / 2015	5,096	(3)	7,126	100

B. Property Taxes

The District levies 18 mills of property taxes on all Non-Principal Residence Exemption (PRE) property and 6 mills on Commercial Property located within the District for General Fund 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 or 5%. When a property is sold, the Taxable Valuation of the sold property is adjusted to the State Equalized Value, which is approximately 50% of market value. This levy is subject to millage reduction fractions. In anticipation of future rollbacks, voters have approved a "Headlee Override" millage authorization of up to 3 mills. For the tax year 2023, the District levied the full 18 mills on non-homestead property that is required to earn per pupil funding.

The District levied 5.63 mills on all classes of property located within the District for retirement of bonded debt proposals approved by the voters in 1994, 2007, and 2018. This levy is not subject to millage reduction fractions and taxes are used to pay the principal and interest on bond obligations. The total amount collected for debt retirement was \$10.7 million for the year.

The District's sinking funds are used for the repairs and replacement of buildings and sites.

**GRAND LEDGE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental Fund Expenditures

The chart below illustrates that the General Fund comprises 69% of all expenditures within the governmental funds of the District. As of June 30, 2024, expenditures were \$102.2 million for all District programs.

	Expenditures and Other Uses (in millions)	Percent of Total
General fund	\$ 70.7	69%
Other governmental funds	31.5	31%
Total	\$ 102.2	100%

Capital Asset and Debt Administration

A. Capital Assets

At June 30, 2024, the District had \$246.1 million invested in land, construction in progress, buildings, improvements, furniture and equipment, right to use asset, buses and other vehicles. Of this amount, \$84.1 million has been depreciated/amortized resulting in a net book value of \$162.0 million. The District's buildings range in years of construction from 1929 (Sawdon Administration Building) to 1996 (Willow Ridge Elementary and the Operations Center). The majority of the buildings were constructed in the 1950's and 1960's. The District is committed to timely repairs and maintenance of its facilities. Equipment purchases, taken in the aggregate, that are above the District's capitalization threshold of \$5,000 are capitalized accordingly.

	2024	2023
Land	\$ 4,963,232	\$ 4,963,232
Construction in progress	19,830,188	2,460,057
Land improvements	13,154,296	13,370,443
Buildings	17,110,024	17,110,024
Building improvements	162,718,376	157,204,163
Equipment, computers and furnishing	22,620,515	20,602,302
Right to use - subscription-based IT	460,704	460,704
Buses and other vehicles	5,223,933	4,609,339
Total	246,081,268	220,780,264
Less accumulated depreciation	84,055,744	78,781,001
Net capital assets	\$ 162,025,524	\$ 141,999,263

B. Long-Term Obligations

At June 30, 2024, the District had \$162.7 million in outstanding bonds, subscription-based IT arrangement, and other liabilities. The District collects revenues to meet its outstanding debt obligations across total property values. Therefore, total growth in valuation is an important element in determining the District's ability to retire bonded debt and/or to incur additional bonded debt as increased enrollment may require.

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

**GRAND LEDGE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Conditions that will Significantly Affect Financial Position and Results of Operations in Future Years

After several years of increases in the per-pupil foundation allowance, Michigan's 2024-25 school aid budget includes no increase from the \$9,608 received in 2023-24. In addition, the State budget significantly reduced the funding for Section 31aa which provided revenue to address mental health and safety concerns in schools. The District has utilized foundation allowance increases in the past to fund employee compensation and operating expenditure increases while the Section 31aa funding has been used to provide additional mental health supports and improve safety measures within our school buildings. This unexpected change in State budget priorities will cause the District to realign its resources in order to meet the most significant of student needs.

The State budget did make a reduction in the 2024-25 retirement contribution rate to be paid by the District. However, this expenditure reduction does not equate to the revenue losses experienced by the District because of the lack of increased per-pupil foundation allowance funds and the decrease in Section 31aa revenues. A tight labor market and a statewide teacher shortage, along with inflationary increases, have caused upward pressure on the District expenditures.

The District currently levies a Sinking Fund millage of .7921 which will be on the November 2024 ballot for a ten-year renewal. The current Sinking Fund levy is restricted to building and site improvements but voters will be asked to expand the allowable uses to include technology and vehicles. The Sinking Fund renewal, and particularly the expanded uses, will reduce the expenditures required to be paid for with District operating dollars.

In November 2018, voters approved a request to issue \$148,125,000 in bonded debt to finance improvements to existing facilities, technology upgrades and the purchase of buses. The bonds were issued in four series between 2019 and 2024. Work on the Series 1 issuance was completed in 2022-23. Series 2 projects are scheduled to be completed in early in the 2024-25 fiscal year. Series 3 and 4 projects began in 2023-24 and will continue into the 2025-26 fiscal year.

Contacting the District's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances. If you have questions about this report or need additional information, contact the Chief Financial Officer, Grand Ledge Public Schools, 220 Lamson Street, Grand Ledge, Michigan 48837 or by telephone at (517) 925-5422.

BASIC FINANCIAL STATEMENTS

GRAND LEDGE PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 6,185,050
Investments	11,440,882
Receivables	
Accounts receivable	26,268
Intergovernmental receivables	10,928,248
Inventories	101,096
Prepays	903,957
Restricted cash - capital projects	564,385
Restricted investments - capital projects	55,686,169
Net other post employment benefits asset	1,808,067
Capital assets not being depreciated	24,793,420
Capital assets net of accumulated depreciation/amortization	137,232,104
TOTAL ASSETS	249,669,646
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	613,980
Related to other postemployment benefits	7,464,501
Related to pensions	33,317,340
TOTAL DEFERRED OUTFLOWS OF RESOURCES	41,395,821
LIABILITIES	
Accounts payable	4,375,961
Arbitrage liability	194,224
Accrued salaries and related items	4,239,819
Accrued retirement	2,244,518
Intergovernmental payables	223,516
Accrued interest	1,086,425
Unearned revenue	2,387,430
Noncurrent liabilities	
Due within one year	4,957,392
Due in more than one year	157,741,339
Net pension liability	105,318,801
TOTAL LIABILITIES	282,769,425
DEFERRED INFLOWS OF RESOURCES	
Related to other postemployment benefits	14,558,315
Related to pensions	10,672,631
Related to state aid funding for pension benefits	6,351,687
TOTAL DEFERRED INFLOWS OF RESOURCES	31,582,633
NET POSITION	
Net investment in capital assets	49,548,890
Restricted for capital projects (sinking fund)	3,904,129
Restricted for debt service	1,036,587
Restricted for net other postemployment benefits	1,808,067
Unrestricted	(79,584,264)
TOTAL NET POSITION	\$ (23,286,591)

See notes to financial statements.

**GRAND LEDGE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 38,972,604	\$ -	\$ 19,923,327	\$ (19,049,277)
Support services	27,018,135	309,582	6,620,310	(20,088,243)
Community services	2,718,405	2,341,122	-	(377,283)
Food services	2,644,057	270,374	2,921,307	547,624
School store	19,705	16,770	-	(2,935)
Student/school activities	444,572	431,019	-	(13,553)
Interest on long-term debt	6,013,428	-	-	(6,013,428)
Unallocated depreciation/ amortization	5,591,019	-	-	(5,591,019)
Total governmental activities	<u>\$ 83,421,925</u>	<u>\$ 3,368,867</u>	<u>\$ 29,464,944</u>	<u>(50,588,114)</u>
General revenues				
Property taxes, levied for general purposes				11,778,209
Property taxes, levied for debt service				10,662,675
Property taxes, levied for sinking fund				1,494,910
Investment earnings, net				2,580,570
State sources - unrestricted				37,381,789
Other				453,367
Total general revenues				<u>64,351,520</u>
CHANGE IN NET POSITION				13,763,406
Net position, beginning of year				<u>(37,049,997)</u>
Net position, end of year				<u>\$ (23,286,591)</u>

See notes to financial statements.

**GRAND LEDGE PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund	2019 Capital Projects Proposal II	2021 Capital Projects Proposal I	2021 Capital Projects Proposal II	2023 Capital Projects	2024 Capital Projects	Combined Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 3,828,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,918	\$ 2,335,158	\$ 6,185,050
Investments	5,411,887	-	-	-	-	-	2,102,594	3,926,401	11,440,882
Receivables									
Accounts receivable	26,268	-	-	-	-	-	-	-	26,268
Intergovernmental receivables	10,792,161	-	-	-	-	-	-	136,087	10,928,248
Due from other funds	51,644	-	-	-	16,320	-	-	2,240,531	2,308,495
Inventories	30,086	-	-	-	-	-	-	71,010	101,096
Prepays	803,957	-	-	-	-	-	-	100,000	903,957
Restricted cash and cash equivalents	-	-	33,799	276,445	100,736	-	-	153,405	564,385
Restricted investments	-	-	5,272,348	-	21,998,679	24,625,582	-	3,789,560	55,686,169
TOTAL ASSETS	\$20,944,977	\$ -	\$ 5,306,147	\$ 276,445	\$ 22,115,735	\$24,625,582	\$ 2,123,512	\$12,752,152	\$ 88,144,550
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 823,979	\$ -	\$ 2,119,073	\$ -	\$ 1,209,123	\$ 120,101	\$ 500	\$ 103,185	\$ 4,375,961
Accrued salaries and related items	4,207,634	-	-	-	-	-	-	32,185	4,239,819
Accrued retirement	2,236,029	-	-	-	-	-	-	8,489	2,244,518
Intergovernmental payables	223,516	-	-	-	-	-	-	-	223,516
Due to other funds	2,123,574	-	-	-	-	25,120	-	159,801	2,308,495
Unearned revenue	2,274,242	-	-	-	-	-	-	113,188	2,387,430
TOTAL LIABILITIES	11,888,974	-	2,119,073	-	1,209,123	145,221	500	416,848	15,779,739

See notes to financial statements.

	<u>General Fund</u>	<u>2019 Capital Projects Proposal II</u>	<u>2021 Capital Projects Proposal I</u>	<u>2021 Capital Projects Proposal II</u>	<u>2023 Capital Projects</u>	<u>2024 Capital Projects</u>	<u>Combined Debt Service Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
LIABILITIES AND FUND BALANCES									
(continued)									
FUND BALANCES									
Nonspendable									
Inventories	\$ 30,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,010	\$ 101,096
Prepays	803,957	-	-	-	-	-	-	100,000	903,957
Restricted for:									
Food service	-	-	-	-	-	-	-	1,100,447	1,100,447
Debt service	-	-	-	-	-	-	2,123,012	-	2,123,012
Capital projects	-	-	3,187,074	276,445	20,906,612	24,480,361	-	3,904,129	52,754,621
Committed									
Community service	-	-	-	-	-	-	-	446,331	446,331
School store	-	-	-	-	-	-	-	6,259	6,259
Student/school activity	-	-	-	-	-	-	-	525,906	525,906
Assigned for:									
Capital projects	-	-	-	-	-	-	-	6,181,222	6,181,222
Severance pay	595,289	-	-	-	-	-	-	-	595,289
Unassigned									
General Fund	<u>7,626,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,626,671</u>
TOTAL FUND BALANCES	<u>9,056,003</u>	<u>-</u>	<u>3,187,074</u>	<u>276,445</u>	<u>20,906,612</u>	<u>24,480,361</u>	<u>2,123,012</u>	<u>12,335,304</u>	<u>72,364,811</u>
LIABILITIES AND FUND BALANCES	<u>\$20,944,977</u>	<u>\$ -</u>	<u>\$ 5,306,147</u>	<u>\$ 276,445</u>	<u>\$ 22,115,735</u>	<u>\$24,625,582</u>	<u>\$ 2,123,512</u>	<u>\$12,752,152</u>	<u>\$ 88,144,550</u>

See notes to financial statements.

**GRAND LEDGE PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total governmental fund balances		\$ 72,364,811
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows on refunding		613,980
Deferred outflows of resources - related to pensions	\$33,317,340	
Deferred inflows of resources - related to pensions	(10,672,631)	
Deferred outflows of resources - related to other postemployment benefits	7,464,501	
Deferred inflows of resources - related to other postemployment benefits	(14,558,315)	
Deferred inflows of resources - related to state funding for pension benefits	<u>(6,351,687)</u>	
		9,199,208
Some assets are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Noncurrent assets at year-end consist of:		
Net other postemployment benefits asset		1,808,067
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
The cost of the capital assets is	246,081,268	
Accumulated depreciation/amortization is	<u>(84,055,744)</u>	
		162,025,524
Long-term liabilities are not due and payable in the current period and are not reported in the funds:		
General obligation bonds		(143,640,000)
Bond premium		(17,968,773)
Note from direct borrowing		(332,333)
Compensated absences and termination benefits payable		(757,625)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid		(1,086,425)
Arbitrage liability		(194,224)
Net pension liability		<u>(105,318,801)</u>
Net position of governmental activities		<u><u>\$ (23,286,591)</u></u>

See notes to financial statements.

GRAND LEDGE PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	2019 Capital Projects Proposal II	2021 Capital Projects Proposal I	2021 Capital Projects Proposal II	2023 Capital Projects	2024 Capital Projects	Combined Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES									
Local sources									
Property taxes	\$ 11,778,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,662,675	\$ 1,494,910	\$ 23,935,794
Investment earnings, net	252,159	-	771,668	-	1,009,741	(39,214)	195,085	390,697	2,580,136
Food sales and other	-	-	-	-	-	-	-	2,216,232	2,216,232
Student/school activities	-	-	-	-	-	-	-	431,019	431,019
Other	693,895	-	14,822	19,233	-	-	-	412,034	1,139,984
Total local sources	12,724,263	-	786,490	19,233	1,009,741	(39,214)	10,857,760	4,944,892	30,303,165
State sources	53,104,124	-	-	-	-	-	2,898	1,558,361	54,665,383
Federal sources	5,240,384	-	-	-	-	-	-	1,363,354	6,603,738
Incoming transfers and other	2,914,627	-	-	-	-	-	-	-	2,914,627
TOTAL REVENUES	73,983,398	-	786,490	19,233	1,009,741	(39,214)	10,860,658	7,866,607	94,486,913
EXPENDITURES									
Current									
Instruction	41,466,836	-	-	-	-	-	-	-	41,466,836
Supporting services	28,814,787	-	-	-	-	-	-	-	28,814,787
Food service activities	-	-	-	-	-	-	-	2,735,318	2,735,318
Community service activities	28,004	-	-	-	-	-	-	2,831,864	2,859,868
School store	-	-	-	-	-	-	-	28,665	28,665
Student/school activities	-	-	-	-	-	-	-	444,572	444,572

See notes to financial statements.

	General Fund	2019 Capital Projects Proposal II	2021 Capital Projects Proposal I	2021 Capital Projects Proposal II	2023 Capital Projects	2024 Capital Projects	Combined Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
EXPENDITURES (continued)									
Current (continued)									
Capital outlay	\$ 365,965	\$ 745,550	\$ 20,912,432	\$ 446,552	\$ 2,288,135	\$ 11,700	\$ -	\$ 1,054,887	\$ 25,825,221
Debt service									
Principal repayment	60,595	-	-	-	-	-	4,930,000	-	4,990,595
Interest expense	7,859	-	-	-	-	-	5,811,453	-	5,819,312
Other	-	-	-	-	-	316,128	9,159	650	325,937
TOTAL EXPENDITURES	<u>70,744,046</u>	<u>745,550</u>	<u>20,912,432</u>	<u>446,552</u>	<u>2,288,135</u>	<u>327,828</u>	<u>10,750,612</u>	<u>7,095,956</u>	<u>113,311,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,239,352</u>	<u>(745,550)</u>	<u>(20,125,942)</u>	<u>(427,319)</u>	<u>(1,278,394)</u>	<u>(367,042)</u>	<u>110,046</u>	<u>770,651</u>	<u>(18,824,198)</u>
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	36,718	-	-	-	-	-	-	-	36,718
Proceeds from sale of bonds	-	-	-	-	-	24,710,000	-	-	24,710,000
Bond premium	-	-	-	-	-	137,403	-	-	137,403
Transfers in	160,000	-	-	-	-	-	-	1,750,000	1,910,000
Transfers out	(1,750,000)	-	-	-	-	-	-	(160,000)	(1,910,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,553,282)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,847,403</u>	<u>-</u>	<u>1,590,000</u>	<u>24,884,121</u>
NET CHANGE IN FUND BALANCES	1,686,070	(745,550)	(20,125,942)	(427,319)	(1,278,394)	24,480,361	110,046	2,360,651	6,059,923
FUND BALANCES									
Beginning of year, as previously stated	7,369,933	745,550	23,313,016	703,764	22,185,006	-	-	11,987,619	66,304,888
Adjustments to beginning fund balances	-	-	-	-	-	-	2,012,966	(2,012,966)	-
Beginning of year, as restated	<u>7,369,933</u>	<u>745,550</u>	<u>23,313,016</u>	<u>703,764</u>	<u>22,185,006</u>	<u>-</u>	<u>2,012,966</u>	<u>9,974,653</u>	<u>66,304,888</u>
End of year	<u>\$ 9,056,003</u>	<u>\$ -</u>	<u>\$ 3,187,074</u>	<u>\$ 276,445</u>	<u>\$ 20,906,612</u>	<u>\$ 24,480,361</u>	<u>\$ 2,123,012</u>	<u>\$ 12,335,304</u>	<u>\$ 72,364,811</u>

See notes to financial statements.

GRAND LEDGE PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net change in fund balances total governmental funds \$ 6,059,923

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

Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation/amortization:

Depreciation/amortization expense	(5,591,019)
Capital outlay	25,774,878
Net book value of capital assets disposed	(157,598)

Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:

Accrued interest payable, beginning of the year	939,159
Accrued interest payable, end of the year	(1,086,425)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences is the treatment of long-term debt and related items and are as follows:

Proceeds from bond issuance	(24,710,000)
Premium on bond issuance	(137,403)
Payments on debt	4,990,595
Amortization of deferred charge on refunding	(72,782)
Amortization of bond premium	1,075,580
Arbitrage liability	(194,224)

Compensated absences and termination benefits are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:

Accrued compensated absences and termination benefits, beginning of the year	787,534
Accrued compensated absences and termination benefits, end of the year	(757,625)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Pension related items	(1,433,077)
Other postemployment benefits related items	5,610,007

Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period:

State aid funding, beginning of year	9,017,570
State aid funding, end of year	(6,351,687)

Change in net position of governmental activities \$ 13,763,406

See notes to financial statements.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. All fiduciary activities are reported only in the fund financial statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

Reporting Entity

Grand Ledge Public Schools (the "District") is governed by the Grand Ledge Public Schools Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board Statements (GASB).

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter two are excluded from the government-wide financial statements.

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

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following *Major Governmental Funds*:

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

The 2019, 2021, 2023, and 2024 *Capital Projects Funds* account for the receipt of debt proceeds and the acquisition of fixed assets or construction of major capital projects. The capital projects funds include capital project activities funded with bonds. For these capital projects, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. The 2023 and 2024 funds are not yet considered substantially complete, and subsequent year audits are expected. The 2019 and 2021 funds are substantially completed.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

The District issued \$18,755,000 of bonds on March 20, 2019, \$30,090,000 of bonds on June 3, 2021, \$23,220,000 of bonds on June 1, 2023, and \$24,710,000 on May 30, 2024 at which time all funds were available for the intended purpose of the bond issue. Beginning with the year of bond issuance, the District has reported annual construction activity in the 2019, 2021, 2023, and 2024 capital projects funds, respectively.

The following is a summary of the cumulative revenues, expenditures, and other financing sources and uses for the 2019, 2021, 2023, and 2024 capital projects funds since inception:

	2019 Capital Projects Proposal II	2021 Capital Projects Proposal I	2021 Capital Projects Proposal II	2023 Capital Projects	2024 Capital Projects
Revenues and other financing sources	<u>\$22,519,270</u>	<u>\$31,811,203</u>	<u>\$ 7,950,445</u>	<u>\$25,886,485</u>	<u>\$24,808,189</u>
Expenditures and other financing uses	<u>\$22,519,270</u>	<u>\$28,624,129</u>	<u>\$ 7,674,000</u>	<u>\$ 4,979,873</u>	<u>\$ 327,828</u>

The above revenue figures include the bond proceeds and premium of \$21,644,860, \$30,881,677, \$7,925,158, \$24,876,744, and \$24,847,403 for 2019 Capital Projects Proposal II, 2021 Capital Projects Proposal I, 2021 Capital Projects Proposal II, 2023 Capital Projects, and 2024 Capital Projects, respectively.

The *Combined Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The District reports the following *Other Nonmajor Funds*:

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service, community service, school store, and student/school activities in the special revenue funds.

The *Capital Projects Sinking Fund* accounts for the receipt of property taxes levied for sinking fund and subsequent expenditures of those funds. The fund has complied with the applicable provisions of Section 1212 of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2023-1.

The *General Capital Projects Fund* includes assets assigned for future capital purchases.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds.

While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

Property taxes, state and federal aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

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

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by Non-PRE property taxes which may be levied at a rate of up to 18 mills as well as 6 mills for Commercial Personal Property Tax. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as an intergovernmental receivable.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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

All other revenue items are generally considered to be measurable and available only when cash is received by the District.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. The capital projects fund is appropriated on a project-length basis. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The District does not utilize encumbrance accounting.

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

- a. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.
- d. Transfers may be made for 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.
- e. The budget was amended during the year with supplemental appropriations, the last one approved prior to year ended June 30, 2024. The District does not consider these amendments to be significant.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

In accordance with Michigan Compiled Laws, the District is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

District or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and transportation vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Group purchases are evaluated on a case-by-case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

Land and construction in progress, if any, are not depreciated. Right to use assets of the District are amortized using the straight-line method over the shorter of the lease/subscription period or the estimated useful lives. The other property, plant, and equipment of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Land improvements	20
Buildings and building improvements	50
Equipment, computers, and furnishing	5 - 20
Right to use - subscription-based IT	6
School buses and other vehicles	8

Defined Benefit Plans

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

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The District has three items that qualify for reporting in this category. They are the deferred charge on refunding, pension, and other postemployment benefits related items reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expensed in the plan year in which they apply.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first is restricted Section 147c state aid deferred to offset deferred outflows related to Section 147c pension benefit contributions subsequent to the measurement period. The second and third items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action remains in place until a similar action is taken (the adoption of another board action) to remove or revise the limitation.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Fund Balance Policies (continued)

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Subscription-Based IT Arrangements (SBITA)

Lessee/subscriber: The District is a lessee for a noncancelable subscription of an IT arrangement. The District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements.

At the commencement of a subscription, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to SBITAs included how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

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

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term obligations on the statement of net position.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses (continued)

Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of July 1 and 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 September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

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

Fund	Mills
General Fund	
Non-Principal Residence Exemption (PRE)	18.00
Commercial Personal Property	6.00
Debt service fund	
PRE, Non-PRE, Commercial Personal Property	5.63
Sinking fund	
PRE, Non-PRE, Commercial Personal Property	.7921

Compensated Absences and Termination Benefits

The District’s policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary and related benefits, where applicable.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method over the term of the related debt. Bond issuance costs are reported as expenditures in the year in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2024 the District had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2024, \$6,727,389 of the District's bank balance of \$7,018,648 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was \$6,749,435.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

Interest Rate Risk

In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury Notes	\$ 3,742,147	0.0410
Commercial Paper	978,800	0.1014
Federal Agency Bond Notes	27,219,421	0.5953
MILAF External Investment Pool - MAX	6,955,542	N/A
MILAF External Investment Pool - CMC	8,828	N/A
Morgan Stanley Institutional Liquidity Fund	14,683,893	0.1161
Michigan Class Investment Pool	13,538,420	0.081
Total fair value	<u>\$ 67,127,051</u>	
Portfolio weighted average maturity		<u>0.3201</u>

One day maturity equals 0.0027, one year equals 1.00

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk

The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Type	Fair Value	Rating	Rating Agency
U.S. Treasury Notes	\$ 3,742,147	AA+	Standard & Poor's
Commercial Paper	978,800	A-1	Standard & Poor's
Federal Agency Bond Notes	27,219,421	AA+	Standard & Poor's
MILAF External Investment Pool - MAX	6,955,542	AAAm	Standard & Poor's
MILAF External Investment Pool - CMC	8,828	AAAm	Standard & Poor's
Morgan Stanley Institutional Liquidity Fund	14,683,893	AAAm	Standard & Poor's
Michigan Class Investment Pool	13,538,420	AAAm	Standard & Poor's
	<hr/>		
Total	\$ 67,127,051		
	<hr/> <hr/>		

Foreign Currency Risk

The District is not authorized to invest in investments which have this type of risk.

Fair Value Measurement

The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

	Level 1	Level 2	Level 3	Balance at June 30, 2024
Investments by fair value level				
U.S. Treasury Notes	\$ 3,742,147	\$ -	\$ -	\$ 3,742,147
Commercial Paper	-	978,800	-	978,800
Federal Agency Bond Notes	-	27,219,421	-	27,219,421
	<u>\$ 3,742,147</u>	<u>\$ 28,198,221</u>	<u>\$ -</u>	<u>\$ 31,940,368</u>

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District voluntarily invests certain excess funds in external pooled investment funds, which included money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF funds are considered external investment pools as defined by the GASB and as such are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures.

	<u>Amortized Cost</u>
MILAF External Investment Pool - MAX	\$ 6,955,542
MILAF External Investment Pool - CMC	<u>8,828</u>
	<u>\$ 6,964,370</u>

Investments in Entities that Calculate Net Asset Value Per Share

The District holds shares or interests in the Michigan CLASS investment pool and the Morgan Stanley Institutional Liquidity Fund where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

The Morgan Stanley Institutional Liquidity Fund invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, and repurchase agreements. It purchases securities that are legally permissible under state statutes.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments in Entities that Calculate Net Asset Value Per Share (continued)

At the year ended June 30, 2024, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan Class Investment Pool	\$13,538,420	\$ -	No restrictions	None
Morgan Stanley Institutional Liquidity Fund	14,683,893	-	No restrictions	None
Total	<u>\$28,222,313</u>	<u>\$ -</u>		

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1.

The following summarizes the categorization of these amounts as of June 30, 2024:

	Primary Government
Cash and cash equivalents	\$ 6,185,050
Investments	11,440,882
Restricted cash and cash equivalents	564,385
Restricted investments	<u>55,686,169</u>
	<u>\$ 73,876,486</u>

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - CAPITAL ASSETS

A summary of changes in the District's capital assets follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 4,963,232	\$ -	\$ -	\$ 4,963,232
Construction in progress	2,460,057	19,830,188	2,460,057	19,830,188
Total assets not being depreciated	7,423,289	19,830,188	2,460,057	24,793,420
Capital assets, being depreciated/amortized				
Land improvements	13,370,443	104,392	320,539	13,154,296
Buildings	17,110,024	-	-	17,110,024
Building improvements	157,204,163	5,514,213	-	162,718,376
Equipment, computers and furnishing	20,602,302	2,128,673	110,460	22,620,515
Right to use - subscription-based IT	460,704	-	-	460,704
School buses and other vehicles	4,609,339	657,469	42,875	5,223,933
Subtotal	213,356,975	8,404,747	473,874	221,287,848
Accumulated depreciation/amortization				
Land improvements	5,190,523	672,535	162,941	5,700,117
Buildings	12,516,894	240,000	-	12,756,894
Building improvements	41,808,653	3,653,374	-	45,462,027
Equipment, computers and furnishing	16,504,715	474,475	110,460	16,868,730
Right to use - subscription-based IT	70,385	76,784	-	147,169
School buses and other vehicles	2,689,831	473,851	42,875	3,120,807
Total accumulated depreciation/amortization	78,781,001	5,591,019	316,276	84,055,744
Net capital assets being depreciated/amortized	134,575,974	2,813,728	157,598	137,232,104
Net governmental capital assets	\$ 141,999,263	\$ 22,643,916	\$ 2,617,655	\$ 162,025,524

Depreciation/amortization for the fiscal year ended June 30, 2024 amounted to \$5,591,019. The District determined that it was impractical to allocate depreciation/amortization to the various governmental activities as the assets serve multiple functions.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Receivables at June 30, 2024 consist of the following:

	Government- wide
State aid	\$ 9,814,979
Federal grants and other pass-through agencies	1,064,329
Other	48,940
	\$ 10,928,248

No allowance for doubtful accounts is considered necessary.

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2024:

	General Obligation Bonds	Direct Borrowing and Direct Placement	Compensated Absences	Termination Benefits	Total
Balance, July 1, 2023	\$ 142,766,950	\$ 392,928	\$ 657,191	\$ 130,343	\$ 143,947,412
Additions	24,847,403	-	-	31,993	24,879,396
Deletions	6,005,580	60,595	61,902	-	6,128,077
Balance, June 30, 2024	161,608,773	332,333	595,289	162,336	162,698,731
Due within one year	4,870,000	62,492	11,900	13,000	4,957,392
Due in more than one year	\$ 156,738,773	\$ 269,841	\$ 583,389	\$ 149,336	\$ 157,741,339

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Long-term obligation debt at June 30, 2024 is comprised of the following:

General Obligations Bonds

Serial bond due in annual installments of \$1,210,000 to \$1,305,000 through May 1, 2037, with interest at 4.00% to 5.00%.	\$ 16,125,000
Serial bond due in annual installments of \$510,000 to \$4,430,000 through May 1, 2044, with interest at 5.00%.	51,425,000
Serial bond due in annual installments of \$160,000 to \$1,740,000 through May 1, 2047, with interest at 4.00% to 5.00%.	28,160,000
Serial bond due in semi-annual installments of \$260,000 to \$1,525,000 paid in November and May through November 1, 2047, with interest at 4.00% to 5.00%.	23,220,000
Serial bond due in semi-annual installments of \$195,000 to \$3,230,000 paid in November and May through November 1, 2048, with interest at 4.00% to 5.00%.	24,710,000
Plus premiums on bonds	<u>17,968,773</u>
Total general obligation bonds	<u>161,608,773</u>

Direct Borrowing and Direct Placement

Subscription-based IT arrangement due in annual installments of \$67,776, increasing 1% annually, through August 1, 2028, with imputed interest at 2.00%.	<u>332,333</u>
Compensated absences and termination benefits	<u>757,625</u>
Total general long-term obligations	<u><u>\$162,698,731</u></u>

The District's outstanding notes from direct borrowings and direct placements related to governmental activities of \$332,333 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

The District has defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2024, \$16,900,000 of bonds outstanding are considered defeased.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

The annual requirements to amortize long-term obligations outstanding exclusive of compensated absences payments as of June 30, 2024, are as follows:

Year Ending June 30,	General Obligation Bonds		Notes from Direct Borrowings and Direct Placements		Compensated Absences and Termination Benefits	Total
	Principal	Interest	Principal	Interest		
2025	\$ 4,870,000	\$ 6,678,430	\$ 62,492	\$ 6,647	\$ -	\$ 11,617,569
2026	5,310,000	6,626,637	64,433	5,397	-	12,006,467
2027	4,880,000	6,389,187	66,420	4,107	-	11,339,714
2028	4,140,000	6,170,537	68,453	2,780	-	10,381,770
2029	4,335,000	5,978,512	70,535	1,411	-	10,385,458
2030 - 2034	25,205,000	26,594,910	-	-	-	51,799,910
2035 - 2039	32,575,000	19,647,176	-	-	-	52,222,176
2040 - 2044	41,405,000	10,792,095	-	-	-	52,197,095
2045 - 2048	20,920,000	1,898,778	-	-	-	22,818,778
	143,640,000	90,776,262	332,333	20,342	-	234,768,937
Premiums on bonds	17,968,773	-	-	-	-	17,968,773
Compensated absences and termination benefits	-	-	-	-	757,625	757,625
	<u>\$161,608,773</u>	<u>\$ 90,776,262</u>	<u>\$ 332,333</u>	<u>\$ 20,342</u>	<u>\$ 757,625</u>	<u>\$253,495,335</u>

Interest expense (all funds) for the year ended June 30, 2024 was approximately \$6,000,000.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2024 are as follows:

Receivable Fund		Payable Fund	
General fund	\$ 51,644	General fund	\$ 2,123,574
Capital projects funds		Capital projects funds	
2023	16,320	2024	25,120
Other nonmajor funds	2,240,531	Other nonmajor funds	159,801
	<u>\$ 2,308,495</u>		<u>\$ 2,308,495</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) (System) 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. MPERS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.michigan.gov/orsschools.

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 option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act.

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 of Michigan Investment Board serves as the investment fiduciary and custodian for the System.

Benefits Provided - Overall

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the plans offered by MPERS is as follows:

<u>Plan Name</u>	<u>Plan Type</u>	<u>Plan Status</u>
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Closed
Pension Plus 2	Hybrid	Open
Defined Contribution	Defined Contribution	Open

Benefits Provided - Pension

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. Retirement benefits for DB plan members are determined by final average compensation and years of service. 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.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (MPSERS) who became a member of MPSERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010 and 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 pension. Any changes to a member's pension are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

An amount determined by the member's election of Option 1, 2, 3, or 4 described below:

Option 1 - Members voluntarily elected to increase their contributions to the pension fund as noted below and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment.

- Basic plan members: 4% contribution
- Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

Option 2 - Members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

Option 3 - Members voluntarily elected not to increase their contribution to the pension fund and maintain their current level of contribution to the pension fund. The pension formula for their years of service as of the day before their transition date will include a 1.5% pension factor. The pension formula for any service thereafter will include a 1.25% pension factor.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (continued)

Option 4 - Members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to the tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS to a 457 account. They vest in employer contributions and related earnings in their 401(k)-account based on the following schedule: 50% at 2 years, 75% at 3 years, and 100% at 4 years of service. They are 100% vested in any personal contributions and related earnings in their 457 account. Upon retirement, if they meet age and service requirements (including their total years of service), they would also receive a pension (calculated based on years of service and final average compensation as of the day before their transition date and a 1.5% pension factor).

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

Employees who first work on or after September 4, 2012 choose between two retirement plans: The Pension Plus Plan and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) - Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected Option 4, in which case the FAC is calculated at the transition date.

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus Plan to newly hired employees as of February 1, 2018 and created a new, optional Pension Plus 2 Plan with similar plan benefit calculations but containing a 50/50 cost share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 Plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 Plan will close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law included other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

Benefits Provided - Other Postemployment Benefit (OPEB)

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 health care 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.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

Eligibility - A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through their 60th birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

Annual Amount - The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

Member Contributions

Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other postemployment benefits. Plan members electing the Defined Contribution Plan are not required to make additional contributions.

Employer Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of pension benefits and OPEB. 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 normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions

Pension and OPEB contributions made in the fiscal year ending September 30, 2023 were determined as of the September 30, 2020 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2020 are amortized over an 16-year period beginning October 1, 2022 and ending September 30, 2038.

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

	Pension	Other Postemployment Benefit
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%

The District's pension contributions for the year ended June 30, 2024 were equal to the required contribution total. Total pension contributions were approximately \$13,407,000. Of the total pension contributions approximately \$12,605,000 was contributed to fund the Defined Benefit Plan and approximately \$502,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2024 were equal to the required contribution total. Total OPEB contributions were approximately \$3,013,000. Of the total OPEB contributions approximately \$2,700,000 was contributed to fund the Defined Benefit Plan and approximately \$313,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefit, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

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

The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2022 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

<i>MPSERS (Plan)</i> Non-university Employers	September 30, 2023	September 30, 2022
Total pension liability	\$ 94,947,828,557	\$ 95,876,795,620
Plan fiduciary net position	\$ 62,581,762,238	\$ 58,268,076,344
Net pension liability	\$ 32,366,066,319	\$ 37,608,719,276
Proportionate share	0.32540%	0.32358%
Net pension liability for the District	\$ 105,318,801	\$ 121,693,162

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (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, 2024, the District recognized pension expense of \$14,337,616.

At June 30, 2024, the Reporting Unit 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
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 3,596,905	\$ 127,699
Differences between expected and actual experience	3,324,593	161,332
Changes of assumptions	14,271,177	8,228,436
Net difference between projected and actual plan investments earnings	-	2,155,164
Reporting Unit's contributions subsequent to the measurement date	12,124,665	-
	\$ 33,317,340	\$ 10,672,631

\$12,124,665, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Year Ended September 30,	Amount
2024	\$ 3,852,740
2025	2,997,428
2026	5,139,788
2027	(1,469,912)

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

The net OPEB liability (asset) was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2022 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability (asset) was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

<u>MPERS (Plan) Non-university Employers</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Total other postemployment benefits liability	\$ 11,223,648,949	\$ 12,522,713,324
Plan fiduciary net position	\$ 11,789,347,341	\$ 10,404,650,683
Net other postemployment benefits liability (asset)	\$ (565,698,392)	\$ 2,118,062,641
Proportionate share	0.31962%	0.32814%
Net other postemployment benefits liability (asset) for the District	\$ (1,808,067)	\$ 6,950,297

For the year ended June 30, 2024, the District recognized OPEB benefit of \$2,910,429.

At June 30, 2024, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 1,033,230	\$ 410,937
Differences between expected and actual experience	-	13,662,683
Changes of assumptions	4,025,073	484,695
Net difference between projected and actual plan investments earnings	5,513	-
Reporting Unit's contributions subsequent to the measurement date	2,400,685	-
	<u>\$ 7,464,501</u>	<u>\$ 14,558,315</u>

\$2,400,685, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

Year Ended September 30,	Amount
2024	\$ (3,164,435)
2025	(2,868,432)
2026	(994,442)
2027	(1,057,874)
2028	(922,287)
2029	(487,029)

Actuarial Assumptions

Investment Rate of Return for Pension - 6.00% a year, compounded annually net of investment and administrative expenses for the MIP, Basic, Pension Plus, and Pension Plus 2 Plan groups.

Investment Rate of Return for OPEB - 6.00% a year, compounded annually net of investment and administrative expenses.

Salary Increases - The rate of pay increase used for individual members is 2.75% - 11.55%, including wage inflation at 2.75%.

Inflation - 3.0%.

Mortality Assumptions -

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: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and MP-202 adjusted for mortality improvements using projection scale from 2010.

Disabled Retirees: PubNS-2010 Male and Female Disabled Retiree Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Experience Study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2022. Assumption changes as a result of an experience study for the periods 2017 through 2022 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2023 valuation.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

The Long-Term Expected Rate of Return on Pension and Other Postemployment Benefit Plan Investments - The pension rate was 6.00% (MIP, Basic, Pension Plus Plan, and Pension Plus 2 Plan), and the other postemployment benefit rate was 6.00%, net of investment and administrative expenses determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and 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.

Cost of Living Pension Adjustments - 3.0% annual non-compounded for MIP members.

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.50% for year one and graded to 3.5% in year fifteen. Post 65, 6.25% for year one and graded to 3.5% in year fifteen.

Additional Assumptions for Other Postemployment Benefit Only - Applies to Individuals Hired Before September 4, 2012:

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

Survivor Coverage - 80% of male retirees and 67% of female retirees electing two-person coverage are assumed to have coverage continuing after the retiree's death.

Coverage Election at Retirement - 75% of male and 60% of female future retirees who elected coverage are assumed to elect coverage for 1 or more dependents.

The target asset allocation at September 30, 2023 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Domestic Equity Pools	25.0%	5.8%
International Equity Pools	15.0%	6.8%
Private Equity Pools	16.0%	9.6%
Real Estate and Infrastructure Pools	10.0%	6.4%
Fixed Income Pools	13.0%	1.3%
Absolute Return Pools	9.0%	4.8%
Real Return/Opportunistic Pools	10.0%	7.3%
Short Term Investment Pools	2.0%	0.3%
	<u>100.0%</u>	

* Long term rate of return are net of administrative expenses and 2.7% inflation.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

Pension Discount Rate - A single discount rate of 6.00% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 6.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from school districts will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those 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.

OPEB Discount Rate - A single 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 school districts 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 Net Pension Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net pension liability calculated using a single discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	\$ 142,285,392	\$ 105,318,801	\$ 74,542,778

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net OPEB liability (asset) calculated using a single discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	\$ 1,874,423	\$ (1,808,067)	\$ (4,972,805)

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Sensitivity to the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates - The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability (asset) calculated using the healthcare cost trend rate, as well as what the Reporting Unit's proportionate share of the net other postemployment benefit liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Other Postemployment Benefits		
	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	<u>\$ (4,980,696)</u>	<u>\$ (1,808,067)</u>	<u>\$ 1,625,758</u>

Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB's fiduciary net position is available in the separately issued Michigan Public School Employees' Retirement System 2023 Annual Comprehensive Financial Report.

Payable to the Pension and OPEB Plan - At year end the School District is current on all required pension and other postemployment benefit plan payments. Amounts accrued at year end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

NOTE 8 - 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 participates in a distinct pool of educational institutions within the State of Michigan for self-insuring workers' disability compensation. The pool is considered a public entity risk pool. The District pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims in excess of \$500,000 for each occurrence with the overall maximum coverage being unlimited. The District has not been informed of any special assessments being required.

The District continues to carry commercial insurance for other risks of loss, including property and casualty errors and omissions, fleet and employee health and accident insurance.

Self-funded dental and vision insurance programs were approved by the Board of Education and implemented for support personnel. All plans have limits on amounts for expenditures that will be reimbursed. This program is recorded in the general fund. The District has estimated a liability for any incurred and unreported claims.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - TRANSFERS

The transfer of \$1,750,000 from the general fund to the general capital project fund was to set aside funds for future capital needs of the district. The transfer of \$160,000 from the food service fund to the general fund was to reimburse the general fund for indirect costs.

NOTE 10 - LAND OPTION

Grand Ledge Public Schools holds an option on approximately 92 acres on Grand River Avenue pursuant to an option agreement dated August 10, 2005. The option price is \$1.00 with the stipulation that the option must be exercised on or before August 31, 2025. Additionally, the option agreement stipulates that the land must be used for the purpose of building one or more schools including playgrounds and athletic facilities.

NOTE 11 - TAX ABATEMENTS

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions, Brownfield Redevelopment Agreements, and Payments in Lieu of Taxes (PILOT) granted by cities, villages and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield Redevelopment Agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; PILOT programs apply to multiple unit housing for citizens of low income and the elderly. The property taxes abated for all funds by municipality under these programs are as follows:

Municipality	Taxes Abated
Delta Township	\$ 165,977
City of Grand Ledge	52,983
City of Lansing	95,630
Oneida Township	32,251
	\$ 346,841

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's Section 22 funding of the State School Aid Act.

There are no abatements made by the District.

NOTE 12 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities 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. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

NOTE 14 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2024, the District implemented the following new pronouncement: GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*.

Summary: This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

NOTE 15 - ADJUSTMENTS TO BEGINNING FUND BALANCES

During fiscal year 2024, the changes to or within the financial reporting entity resulted in adjustments to beginning fund balance, as follows:

	Reporting Units Affected by Adjustments to Beginning Balances					
	Nonmajor Governmental Funds - Debt Service Funds				Nonmajor Governmental Funds	Combined Debt Service Fund
	2015 Refunding	2016 Refunding	2019 Building and Site	2021 Building and Site		
Fund balance, as previously reported	\$ 903,941	\$ 757,945	\$ 130,819	\$ 220,261	\$ 11,987,619	\$ -
Change from nonmajor fund to major fund	<u>(903,941)</u>	<u>(757,945)</u>	<u>(130,819)</u>	<u>(220,261)</u>	<u>(2,012,966)</u>	<u>2,012,966</u>
Fund balance, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,974,653</u>	<u>\$ 2,012,966</u>

REQUIRED SUPPLEMENTARY INFORMATION

**GRAND LEDGE PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Local sources	\$ 11,733,606	\$ 12,646,376	\$ 12,724,263	\$ 77,887
State sources	52,432,134	53,984,239	53,104,124	(880,115)
Federal sources	4,426,481	5,240,970	5,240,384	(586)
Incoming transfers and other	2,618,878	2,720,797	2,914,627	193,830
TOTAL REVENUES	<u>71,211,099</u>	<u>74,592,382</u>	<u>73,983,398</u>	<u>(608,984)</u>
EXPENDITURES				
Current				
Instruction				
Basic programs	32,727,408	31,644,897	31,620,502	24,395
Added needs	9,043,965	10,605,440	9,846,334	759,106
Total instruction	<u>41,771,373</u>	<u>42,250,337</u>	<u>41,466,836</u>	<u>783,501</u>
Supporting services				
Pupil	5,598,185	6,175,575	5,674,266	501,309
Instructional staff	2,838,604	2,868,297	2,885,951	(17,654)
General administration	1,676,268	659,836	615,922	43,914
School administration	3,498,264	4,023,866	4,053,991	(30,125)
Business services	828,895	810,418	811,331	(913)
Operation/maintenance	7,564,228	7,820,423	7,469,663	350,760
Pupil transportation	4,914,251	4,491,892	4,380,784	111,108
Central	1,927,093	2,083,742	1,982,534	101,208
Athletics	918,662	933,483	940,345	(6,862)
Total supporting services	<u>29,764,450</u>	<u>29,867,532</u>	<u>28,814,787</u>	<u>1,052,745</u>
Community services	10,662	25,966	28,004	(2,038)
Payments to other school districts	5,209	195,402	-	195,402
Capital outlay	503,894	677,736	365,965	311,771
Debt service	67,776	68,454	68,454	-
TOTAL EXPENDITURES	<u>72,123,364</u>	<u>73,085,427</u>	<u>70,744,046</u>	<u>2,341,381</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(912,265)</u>	<u>1,506,955</u>	<u>3,239,352</u>	<u>1,732,397</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	903,655	150,000	160,000	10,000
Transfers out	-	(500,000)	(1,750,000)	(1,250,000)
Proceeds from sale of capital assets	24,149	36,700	36,718	18
TOTAL OTHER FINANCING SOURCES (USES)	<u>927,804</u>	<u>(313,300)</u>	<u>(1,553,282)</u>	<u>(1,239,982)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 15,539</u>	<u>\$ 1,193,655</u>	1,686,070	<u>\$ 492,415</u>
FUND BALANCE				
Beginning of year			<u>7,369,933</u>	
End of year			<u>\$ 9,056,003</u>	

**GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.32540%	0.32358%	0.30846%	0.30136%	0.30436%	0.31055%	0.30924%	0.29706%	0.29989%	0.29207%
Reporting Unit's proportionate share of net pension liability	\$105,318,801	\$121,693,162	\$ 73,028,801	\$103,516,260	\$100,794,276	\$ 93,356,527	\$ 80,137,878	\$ 74,114,212	\$ 73,248,599	\$ 64,333,440
Reporting Unit's covered-employee payroll	\$ 32,558,937	\$ 32,043,734	\$ 28,621,618	\$ 26,992,587	\$ 26,623,895	\$ 26,425,708	\$ 26,065,957	\$ 25,411,906	\$ 25,047,090	\$ 24,861,410
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	323.47%	379.77%	255.15%	383.50%	378.59%	353.28%	307.44%	291.65%	292.44%	258.77%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF THE REPORTING UNIT'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required pension contributions	\$ 12,904,539	\$ 14,903,783	\$ 10,949,091	\$ 8,962,829	\$ 8,193,929	\$ 7,982,606	\$ 8,105,353	\$ 7,166,476	\$ 6,508,076	\$ 5,345,104
Pension contributions in relation to statutorily required contributions	<u>12,904,539</u>	<u>14,903,783</u>	<u>10,949,091</u>	<u>8,962,829</u>	<u>8,193,929</u>	<u>7,982,606</u>	<u>8,105,353</u>	<u>7,166,476</u>	<u>6,508,076</u>	<u>5,345,104</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll (pension)	\$ 32,990,917	\$ 32,622,739	\$ 31,851,990	\$ 27,495,900	\$ 27,230,502	\$ 26,459,231	\$ 26,368,179	\$ 26,353,064	\$ 24,781,377	\$ 25,311,511
Pension contributions as a percentage of covered-employee payroll	39.12%	45.69%	34.37%	32.60%	30.09%	30.17%	30.74%	27.19%	26.26%	21.12%

**GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY (ASSET)
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net other postemployment benefits liability (asset) (%)	0.31962%	0.32814%	0.31362%	0.30292%	0.30273%	0.31008%	0.30865%
Reporting Unit's proportionate share of net other postemployment benefits liability (asset)	\$ (1,808,067)	\$ 6,950,297	\$ 4,787,035	\$ 16,228,114	\$ 21,729,350	\$ 24,648,294	\$ 27,332,217
Reporting Unit's covered-employee payroll	\$ 32,558,937	\$ 32,043,734	\$ 28,621,618	\$ 26,992,587	\$ 26,623,895	\$ 26,425,708	\$ 26,065,957
Reporting Unit's proportionate share of net other postemployment benefits liability (asset) as a percentage of its covered-employee payroll	5.55%	21.69%	16.73%	60.12%	81.62%	93.27%	104.86%
Plan fiduciary net position as a percentage of total other postemployment benefits liability (Non-university employers)	105.04%	83.09%	87.33%	59.44%	48.48%	42.95%	36.39%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF THE REPORTING UNIT'S OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	2024	2023	2022	2021	2020	2019	2018
Statutorily required other postemployment benefits contributions	\$ 2,699,578	\$ 2,608,112	\$ 2,656,683	\$ 2,374,534	\$ 2,288,907	\$ 2,169,967	\$ 2,249,686
Other postemployment benefits contributions in relation to statutorily required contributions	<u>2,699,578</u>	<u>2,608,112</u>	<u>2,656,683</u>	<u>2,374,534</u>	<u>2,288,907</u>	<u>2,169,967</u>	<u>2,249,686</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll (OPEB)	\$ 32,990,917	\$ 32,622,739	\$ 31,851,990	\$ 27,495,900	\$ 27,230,502	\$ 26,459,231	\$ 26,368,179
Other postemployment benefits contributions as a percentage of covered-employee payroll	8.18%	7.99%	8.34%	8.64%	8.41%	8.20%	8.53%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

GRAND LEDGE PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

NOTE 1 - PENSION INFORMATION

Benefit Changes - there were no changes of benefit terms in 2023.

Changes of Assumptions - the assumption changes for 2023 were:

- Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

NOTE 2 - OPEB INFORMATION

Benefit Changes - there were no changes of benefit terms in 2023.

Changes of Assumptions - the assumption changes for 2023 were:

- Healthcare cost trend rate
 - Pre 65 decreased to 7.50% for year one graded to 3.50% for year fifteen from 7.75% for year one graded to 3.50% for year fifteen.
 - Post 65 increased to 6.25% for year one and graded to 3.5% for year fifteen from 5.25% for year one and graded to 3.5% for year fifteen.
- Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

ADDITIONAL SUPPLEMENTARY INFORMATION

**GRAND LEDGE PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2024**

	Special Revenue	Capital Projects	Total Nonmajor Funds
ASSETS			
Cash and cash equivalents	\$ 1,830,337	\$ 504,821	\$ 2,335,158
Investments	-	3,926,401	3,926,401
Intergovernmental receivables	136,087	-	136,087
Due from other funds	490,531	1,750,000	2,240,531
Inventories	71,010	-	71,010
Prepays	100,000	-	100,000
Restricted cash and cash equivalents	-	153,405	153,405
Restricted investments	-	3,789,560	3,789,560
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 2,627,965</u>	<u>\$ 10,124,187</u>	<u>\$ 12,752,152</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 79,088	\$ 24,097	\$ 103,185
Accrued salaries and related	32,185	-	32,185
Accrued retirement	8,489	-	8,489
Due to other funds	145,062	14,739	159,801
Unearned revenue	113,188	-	113,188
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>378,012</u>	<u>38,836</u>	<u>416,848</u>
FUND BALANCES			
Nonspendable			
Inventories	71,010	-	71,010
Prepays	100,000	-	100,000
Restricted for:			
Food service	1,100,447	-	1,100,447
Capital projects	-	3,904,129	3,904,129
Committed			
Community service	446,331	-	446,331
School store	6,259	-	6,259
Student/school activities	525,906	-	525,906
Assigned for:			
Capital projects	-	6,181,222	6,181,222
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>2,249,953</u>	<u>10,085,351</u>	<u>12,335,304</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,627,965</u>	<u>\$ 10,124,187</u>	<u>\$ 12,752,152</u>

**GRAND LEDGE PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2024**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Funds
REVENUES				
Local sources				
Property taxes	\$ -	\$ -	\$ 1,494,910	\$ 1,494,910
Investment earnings, net	1,529	-	389,168	390,697
Food sales and other	2,216,232	-	-	2,216,232
Student/school activities	431,019	-	-	431,019
Other	412,034	-	-	412,034
Total local sources	3,060,814	-	1,884,078	4,944,892
State sources	1,557,953	-	408	1,558,361
Federal sources	1,363,354	-	-	1,363,354
TOTAL REVENUES	5,982,121	-	1,884,486	7,866,607
EXPENDITURES				
Current				
Food service activities	2,735,318	-	-	2,735,318
Community service activity	2,831,864	-	-	2,831,864
School store	28,665	-	-	28,665
Student/school activities	444,572	-	-	444,572
Capital outlay	-	-	1,054,887	1,054,887
Other	-	-	650	650
TOTAL EXPENDITURES	6,040,419	-	1,055,537	7,095,956
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(58,298)	-	828,949	770,651
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,750,000	1,750,000
Transfers out	(160,000)	-	-	(160,000)
TOTAL OTHER FINANCING SOURCES (USES)	(160,000)	-	1,750,000	1,590,000
NET CHANGE IN FUND BALANCES	(218,298)	-	2,578,949	2,360,651
FUND BALANCES				
Beginning of year, as previously stated	2,468,251	2,012,966	7,506,402	11,987,619
Adjustments to beginning fund balances	-	(2,012,966)	-	(2,012,966)
Beginning of year, as restated	2,468,251	-	7,506,402	9,974,653
End of year	\$ 2,249,953	\$ -	\$ 10,085,351	\$ 12,335,304

**GRAND LEDGE PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024**

	Food Service	Community Service	School Store	Student/ School Activities	Totals
ASSETS					
Cash and cash equivalents	\$ 1,090,517	\$ 183,827	\$ 6,259	\$ 549,734	\$ 1,830,337
Intergovernmental receivables	136,087	-	-	-	136,087
Due from other funds	116,957	373,574	-	-	490,531
Prepays	100,000	-	-	-	100,000
Inventories	60,138	-	10,872	-	71,010
TOTAL ASSETS	\$ 1,503,699	\$ 557,401	\$ 17,131	\$ 549,734	\$ 2,627,965
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 30,601	\$ 28,761	\$ -	\$ 19,726	\$ 79,088
Accrued salaries and related items	2,605	29,580	-	-	32,185
Accrued retirement	243	8,246	-	-	8,489
Due to other funds	140,960	-	-	4,102	145,062
Unearned revenue	68,705	44,483	-	-	113,188
TOTAL LIABILITIES	243,114	111,070	-	23,828	378,012
FUND BALANCES					
Nonspendable					
Inventories	60,138	-	10,872	-	71,010
Prepays	100,000	-	-	-	100,000
Restricted for food service	1,100,447	-	-	-	1,100,447
Committed for:					
Community service	-	446,331	-	-	446,331
School store	-	-	6,259	-	6,259
Student/school activities	-	-	-	525,906	525,906
TOTAL FUND BALANCES	1,260,585	446,331	17,131	525,906	2,249,953
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,503,699	\$ 557,401	\$ 17,131	\$ 549,734	\$ 2,627,965

**GRAND LEDGE PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024**

	Food Service	Community Service	School Store	Student/ School Activities	Totals
REVENUES					
Sales	\$ 268,642	\$ 1,930,820	\$ 16,770	\$ -	\$ 2,216,232
Student/school activities	-	-	-	431,019	431,019
State sources	1,557,953	-	-	-	1,557,953
Federal sources	1,363,354	-	-	-	1,363,354
Investment earnings	833	-	8	688	1,529
Other	1,732	410,302	-	-	412,034
TOTAL REVENUES	3,192,514	2,341,122	16,778	431,707	5,982,121
EXPENDITURES					
Salaries	694,946	1,428,114	-	-	2,123,060
Benefits	399,131	902,328	-	-	1,301,459
Purchased services	284,284	52,343	-	-	336,627
Supplies and materials	1,305,229	216,487	7,545	-	1,529,261
Capital outlay	39,353	16,155	8,960	-	64,468
Other	12,375	216,437	12,160	444,572	685,544
TOTAL EXPENDITURES	2,735,318	2,831,864	28,665	444,572	6,040,419
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	457,196	(490,742)	(11,887)	(12,865)	(58,298)
OTHER FINANCING SOURCES (USES)					
Transfers out	(160,000)	-	-	-	(160,000)
NET CHANGE IN FUND BALANCES	297,196	(490,742)	(11,887)	(12,865)	(218,298)
FUND BALANCES					
Beginning of year	963,389	937,073	29,018	538,771	2,468,251
End of year	<u>\$ 1,260,585</u>	<u>\$ 446,331</u>	<u>\$ 17,131</u>	<u>\$ 525,906</u>	<u>\$ 2,249,953</u>

**GRAND LEDGE PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024**

	2015 Refunding	2016 Refunding	2019 Building and Site	2021 Building and Site	Totals
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	-
FUND BALANCES					
Beginning of year, as previously stated	903,941	757,945	130,819	220,261	2,012,966
Adjustments to beginning fund balances	<u>(903,941)</u>	<u>(757,945)</u>	<u>(130,819)</u>	<u>(220,261)</u>	<u>(2,012,966)</u>
Beginning of year, as restated	-	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GRAND LEDGE PUBLIC SCHOOLS
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024**

	Sinking Fund	General Capital Projects	Totals
ASSETS			
Cash and cash equivalents	\$ -	\$ 504,821	\$ 504,821
Investments	-	3,926,401	3,926,401
Due from other funds	-	1,750,000	1,750,000
Restricted cash and cash equivalents	153,405	-	153,405
Restricted investments	3,789,560	-	3,789,560
	<u>\$ 3,942,965</u>	<u>\$ 6,181,222</u>	<u>\$10,124,187</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 24,097	\$ -	\$ 24,097
	<u>\$ 24,097</u>	<u>\$ -</u>	<u>\$ 24,097</u>
FUND BALANCES			
Restricted for capital projects	3,904,129	-	3,904,129
Assigned for capital projects	-	6,181,222	6,181,222
	<u>3,904,129</u>	<u>6,181,222</u>	<u>10,085,351</u>
TOTAL FUND BALANCES	<u>3,904,129</u>	<u>6,181,222</u>	<u>10,085,351</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,942,965</u>	<u>\$ 6,181,222</u>	<u>\$10,124,187</u>

**GRAND LEDGE PUBLIC SCHOOLS
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024**

	<u>Sinking Fund</u>	<u>General Capital Projects</u>	<u>Totals</u>
REVENUES			
Local sources			
Property taxes	\$ 1,494,910	\$ -	\$ 1,494,910
Investment earnings	177,140	212,028	389,168
State sources	408	-	408
	<u>1,672,458</u>	<u>212,028</u>	<u>1,884,486</u>
TOTAL REVENUES			
	<u>1,672,458</u>	<u>212,028</u>	<u>1,884,486</u>
EXPENDITURES			
Capital outlay	649,316	405,571	1,054,887
Other	650	-	650
	<u>649,966</u>	<u>405,571</u>	<u>1,055,537</u>
TOTAL EXPENDITURES			
	<u>649,966</u>	<u>405,571</u>	<u>1,055,537</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,022,492</u>	<u>(193,543)</u>	<u>828,949</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,750,000	1,750,000
	<u>-</u>	<u>1,750,000</u>	<u>1,750,000</u>
NET CHANGE IN FUND BALANCES	<u>1,022,492</u>	<u>1,556,457</u>	<u>2,578,949</u>
FUND BALANCES			
Beginning of year	<u>2,881,637</u>	<u>4,624,765</u>	<u>7,506,402</u>
End of year	<u>\$ 3,904,129</u>	<u>\$ 6,181,222</u>	<u>\$ 10,085,351</u>

**GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS - 2016 REFUNDING
JUNE 30, 2024**

\$24,230,000 Bonds Issued March 16, 2016.

Interest Due		Principal Due May 1	Debt Service Requirement for Fiscal Year	
May 1	November 1		June 30,	Amount
\$ 358,850	\$ 358,850	\$ 1,305,000	2025	\$ 2,022,700
332,750	332,750	1,290,000	2026	1,955,500
306,950	306,950	1,280,000	2027	1,893,900
281,350	281,350	1,265,000	2028	1,827,700
256,050	256,050	1,250,000	2029	1,762,100
231,050	231,050	1,240,000	2030	1,702,100
206,250	206,250	1,225,000	2031	1,637,500
181,750	181,750	1,215,000	2032	1,578,500
151,375	151,375	1,215,000	2033	1,517,750
121,000	121,000	1,210,000	2034	1,452,000
90,750	90,750	1,210,000	2035	1,391,500
60,500	60,500	1,210,000	2036	1,331,000
30,250	30,250	1,210,000	2037	1,270,500
<u>\$ 2,608,875</u>	<u>\$ 2,608,875</u>	<u>\$ 16,125,000</u>		<u>\$ 21,342,750</u>

The above bonds dated March 16, 2016 have interest rates from 4.00% to 5.00%.

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS - 2019 BUILDING AND SITE
JUNE 30, 2024

\$52,145,000 Bonds Issued March 20, 2019.

Interest Due		Principal Due May 1	Debt Service Requirement for Fiscal Year	
May 1	November 1		June 30,	Amount
\$ 1,285,625	\$ 1,285,625	\$ 510,000	2025	\$ 3,081,250
1,272,875	1,272,875	765,000	2026	3,310,750
1,253,750	1,253,750	865,000	2027	3,372,500
1,232,125	1,232,125	975,000	2028	3,439,250
1,207,750	1,207,750	1,185,000	2029	3,600,500
1,178,125	1,178,125	1,385,000	2030	3,741,250
1,143,500	1,143,500	1,580,000	2031	3,867,000
1,104,000	1,104,000	1,780,000	2032	3,988,000
1,059,500	1,059,500	1,985,000	2033	4,104,000
1,009,875	1,009,875	2,150,000	2034	4,169,750
956,125	956,125	2,320,000	2035	4,232,250
898,125	898,125	2,495,000	2036	4,291,250
835,750	835,750	2,680,000	2037	4,351,500
768,750	768,750	4,235,000	2038	5,772,500
662,875	662,875	4,370,000	2039	5,695,750
553,625	553,625	4,425,000	2040	5,532,250
443,000	443,000	4,430,000	2041	5,316,000
332,250	332,250	4,430,000	2042	5,094,500
221,500	221,500	4,430,000	2043	4,873,000
110,750	110,750	4,430,000	2044	4,651,500
<u>\$ 17,529,875</u>	<u>\$ 17,529,875</u>	<u>\$ 51,425,000</u>		<u>\$ 86,484,750</u>

The above bonds dated March 20, 2019 have an interest rate of 5.00%.

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS - 2021 BUILDING AND SITE
JUNE 30, 2024

\$30,090,000 Bonds Issued June 3, 2021.

Interest Due		Principal Due May 1	Debt Service Requirement for Fiscal Year	
May 1	November 1		June 30,	Amount
\$ 689,100	\$ 689,100	\$ 160,000	2025	\$ 1,538,200
685,900	685,900	205,000	2026	1,576,800
681,800	681,800	335,000	2027	1,698,600
675,100	675,100	420,000	2028	1,770,200
666,700	666,700	505,000	2029	1,838,400
656,600	656,600	620,000	2030	1,933,200
644,200	644,200	735,000	2031	2,023,400
629,500	629,500	810,000	2032	2,069,000
609,250	609,250	1,015,000	2033	2,233,500
583,875	583,875	1,250,000	2034	2,417,750
552,625	552,625	1,455,000	2035	2,560,250
516,250	516,250	1,590,000	2036	2,622,500
476,500	476,500	1,715,000	2037	2,668,000
433,625	433,625	1,695,000	2038	2,562,250
391,250	391,250	1,735,000	2039	2,517,500
347,875	347,875	1,735,000	2040	2,430,750
304,500	304,500	1,740,000	2041	2,349,000
261,000	261,000	1,740,000	2042	2,262,000
217,500	217,500	1,740,000	2043	2,175,000
174,000	174,000	1,740,000	2044	2,088,000
130,500	130,500	1,740,000	2045	2,001,000
87,000	87,000	1,740,000	2046	1,914,000
43,500	43,500	1,740,000	2047	1,827,000
<u>\$ 10,458,150</u>	<u>\$ 10,458,150</u>	<u>\$ 28,160,000</u>		<u>\$ 49,076,300</u>

The above bonds dated June 3, 2021 have interest rates from 4.00% to 5.00%.

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS - 2023 BUILDING AND SITE
JUNE 30, 2024

\$23,220,000 Bonds Issued June 29, 2023.

Interest Due		Principal Due		Debt Service Requirement for Fiscal Year	
May 1	November 1	May 1	November 1	June 30,	Amount
\$ 539,624	\$ 547,750	\$ 1,525,000	\$ 325,000	2025	\$ 2,937,374
493,375	501,500	1,415,000	325,000	2026	2,734,875
449,875	458,000	1,155,000	325,000	2027	2,387,875
412,875	421,000	1,155,000	325,000	2028	2,313,875
374,000	384,000	995,000	400,000	2029	2,153,000
334,125	349,125	690,000	600,000	2030	1,973,250
296,875	316,875	400,000	800,000	2031	1,813,750
264,375	286,875	260,000	900,000	2032	1,711,250
234,500	257,875	-	935,000	2033	1,427,375
214,625	234,500	-	795,000	2034	1,244,125
197,625	214,625	-	680,000	2035	1,092,250
181,375	197,625	-	650,000	2036	1,029,000
165,500	181,375	-	635,000	2037	981,875
150,125	165,500	-	615,000	2038	930,625
131,000	150,125	-	765,000	2039	1,046,125
111,000	131,000	-	1,000,000	2040	1,242,000
84,500	111,000	-	1,325,000	2041	1,520,500
62,200	84,500	-	1,115,000	2042	1,261,700
40,000	62,200	-	1,110,000	2043	1,212,200
30,000	40,000	-	500,000	2044	570,000
20,000	30,000	-	500,000	2045	550,000
10,000	20,000	-	500,000	2046	530,000
-	10,000	-	500,000	2047	510,000
<u>\$ 4,797,574</u>	<u>\$ 5,155,450</u>	<u>\$ 7,595,000</u>	<u>\$ 15,625,000</u>		<u>\$ 33,173,024</u>

The above bonds dated June 29, 2023 have interest rates from 4.00% to 5.00%.

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS - 2024 BUILDING AND SITE
JUNE 30, 2024

\$24,710,000 Bonds Issued May 30, 2024.

Interest Due		Principal Due		Debt Service Requirement for Fiscal Year	
May 1	November 1	May 1	November 1	June 30,	Amount
\$ 545,256	\$ 378,650	\$ 1,045,000	\$ -	2025	\$ 1,968,906
524,356	524,356	1,310,000	-	2026	2,358,712
498,156	498,156	920,000	-	2027	1,916,312
479,756	479,756	-	-	2028	959,512
479,756	479,756	-	-	2029	959,512
479,756	479,756	-	-	2030	959,512
479,756	479,756	-	-	2031	959,512
479,756	479,756	-	-	2032	959,512
479,756	479,756	195,000	-	2033	1,154,512
471,556	475,856	-	215,000	2034	1,162,412
465,806	471,556	-	230,000	2035	1,167,362
459,681	465,806	-	245,000	2036	1,170,487
453,181	459,681	-	260,000	2037	1,172,862
447,581	453,181	-	280,000	2038	1,180,762
441,497	447,581	-	295,000	2039	1,184,078
434,072	441,497	-	360,000	2040	1,235,569
425,678	434,072	-	395,000	2041	1,254,750
420,209	425,678	725,000	250,000	2042	1,820,887
393,413	404,350	880,000	500,000	2043	2,177,763
351,113	373,613	1,405,000	1,000,000	2044	3,129,726
290,250	319,500	3,135,000	1,300,000	2045	5,044,750
192,713	219,713	3,230,000	1,200,000	2046	4,842,426
90,788	120,038	2,190,000	1,300,000	2047	3,700,826
12,263	41,513	545,000	1,300,000	2048	1,898,776
<u>\$ 9,796,105</u>	<u>\$ 9,833,333</u>	<u>\$ 15,580,000</u>	<u>\$ 9,130,000</u>		<u>\$ 44,339,438</u>

The above bonds dated May 30, 2024 have interest rates from 4.00% to 5.00%.

**GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2023	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2024
<u>U.S. Department of Agriculture</u>									
Passed through Michigan Department of Education									
Child Nutrition Cluster									
Non-cash assistance (donated foods)									
National School Lunch Program	10.555	N/A	\$ 178,026	\$ -	\$ -	\$ -	\$ 178,026	\$ 178,026	\$ -
National School Lunch Program - bonus			506	-	-	-	506	506	-
Total ALN 10.555 non-cash assistance			178,532	-	-	-	178,532	178,532	-
Cash Assistance									
National School Lunch Program	10.555	241960	805,659	-	-	-	805,659	758,977	46,682
National School Lunch Program		240910	131,980	-	-	-	131,980	131,980	-
National School Lunch Program		231960	889,560	61,819	786,853	(5,592)	108,299	164,526	-
Total ALN 10.555 cash assistance			1,827,199	61,819	786,853	(5,592)	1,045,938	1,055,483	46,682
Total ALN 10.555			2,005,731	61,819	786,853	(5,592)	1,224,470	1,234,015	46,682
School Breakfast Program	10.553	241970	131,788	-	-	-	131,788	123,999	7,789
School Breakfast Program		231970	78,026	5,592	65,956	-	12,070	17,662	-
Total ALN 10.553			209,814	5,592	65,956	-	143,858	141,661	7,789
Total cash assistance			2,037,013	67,411	852,809	(5,592)	1,189,796	1,197,144	54,471
Total Child Nutrition Cluster			2,215,545	67,411	852,809	(5,592)	1,368,328	1,375,676	54,471
Local Food for Schools Cooperative Agreement Program	10.185	2024	618	-	-	-	618	618	-
Total U.S. Department of Agriculture			2,216,163	67,411	852,809	(5,592)	1,368,946	1,376,294	54,471

The accompanying notes are an integral part of this schedule.

**GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2023	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2024
U.S. Department of Education									
Passed through Michigan Department of Education									
Title I Grants to Local Educational Agencies	84.010	241530-2324	\$ 353,539	\$ -	\$ -	\$ 748	\$ 333,347	\$ 278,962	\$ 55,133
Title I Grants to Local Educational Agencies		231530-2223	360,213	46,800	358,440	-	1,773	48,573	-
Passed through Calhoun Intermediate School District									
Title I Grants to Local Educational Agencies		N/A	20,000	-	-	619	-	619	-
Total ALN 84.010			733,752	46,800	358,440	1,367	335,120	328,154	55,133
Passed through Michigan Department of Education									
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	241700-2324	89,966	-	-	-	44,000	44,000	-
Title I State Agency Program for Neglected and Delinquent Children and Youth		231700-2223	60,466	4,000	41,856	-	4,000	4,000	4,000
Total ALN 84.013			150,432	4,000	41,856	-	48,000	48,000	4,000
English Language Acquisition State Grants									
English Language Acquisition State Grants	84.365	240580-2324	19,599	-	-	-	14,170	14,170	-
English Language Acquisition State Grants		230580-2223	35,409	2,172	32,372	-	-	2,172	-
Total ALN 84.365			55,008	2,172	32,372	-	14,170	16,342	-
Supporting Effective Instruction State Grants									
Supporting Effective Instruction State Grants	84.367	240520-2324	86,568	-	-	-	77,438	73,992	3,446
Supporting Effective Instruction State Grants		230520-2223	116,054	2,000	114,054	-	-	2,180	(180)
Total ALN 84.367			202,622	2,000	114,054	-	77,438	76,172	3,266
Student Support and Academic Enrichment Program									
Student Support and Academic Enrichment Program	84.424	240750-2324	42,256	-	-	-	17,832	16,820	1,012
Student Support and Academic Enrichment Program		230750-2223	35,304	492	19,957	-	-	492	-
Total ALN 84.424			77,560	492	19,957	-	17,832	17,312	1,012

The accompanying notes are an integral part of this schedule.

**GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2023	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2024
<u>U.S. Department of Education (continued)</u>									
Passed through Michigan Department of Education (continued)									
Education Stabilization Fund									
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II) - 98c	84.425D	213782-2223	\$ 253,799	\$ 6,392	\$ 44,741	\$ -	\$ 209,058	\$ 215,450	\$ -
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER III) - Formula	84.425U	213713-2122	2,512,100	38,056	1,064,154	-	550,223	588,279	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER III) - 11t	84.425U	213723-2122	3,268,340	269,854	2,233,935	-	593,106	824,992	37,968
Total ALN 84.425			6,034,239	314,302	3,342,830	-	1,352,387	1,628,721	37,968
Passed through Eaton Regional Education Service Agency (ERESA)									
Special Education Cluster									
Special Education Grants to States	84.027	240450-2324	3,367,949	-	-	-	3,367,949	2,461,975	905,974
Special Education Grants to States		230450-2223	3,280,433	725,379	3,237,224	-	-	725,379	-
Total passed through ERESA			6,648,382	725,379	3,237,224	-	3,367,949	3,187,354	905,974
Passed through Marquette-Alger Regional Education Service Agency									
Special Education Cluster									
Special Education Grants to States	84.027	240470-2D33	4,752	-	-	-	4,752	4,752	-
Special Education Grants to States		230470-2D33	6,912	-	4,536	-	2,376	2,376	-
Total passed through Marquette-Alger RESA			11,664	-	4,536	-	7,128	7,128	-
Total Special Education Cluster and ALN 84.027			6,660,046	725,379	3,241,760	-	3,375,077	3,194,482	905,974
Passed through Eaton Regional Education Service Agency (ERESA)									
McKinney Vento	84.196	N/A	5,635	-	-	-	5,635	3,130	2,505
Total U.S. Department of Education			13,883,990	1,094,653	7,131,312	1,367	5,225,659	5,311,821	1,009,858
<u>U.S. Department of Health and Human Services</u>									
Passed through Eaton Regional Education Service Agency									
Medicaid Cluster									
Medical Assistance Program	93.778	N/A	13,358	-	-	-	13,358	13,358	-
TOTAL FEDERAL AWARDS			\$ 16,113,511	\$ 1,162,064	\$ 7,984,121	\$ (4,225)	\$ 6,607,963	\$ 6,701,473	\$ 1,064,329

The accompanying notes are an integral part of this schedule.

**GRAND LEDGE PUBLIC SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Grand Ledge Public Schools under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Grand Ledge Public Schools, it is not intended to and does not present the financial position or changes in net position of Grand Ledge Public Schools.

The District qualifies for low-risk auditee status. Management has utilized the Nexsys Cash Management System and the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reporting on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are present where available. Grand Ledge Public Schools has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - RECONCILIATION WITH AUDITED FINANCIAL STATEMENTS

Federal expenditures are reported as revenue in the following funds in the financial statements:

General fund	\$ 5,240,384
Other nonmajor governmental funds	<u>1,363,354</u>
Total federal revenue in the fund financial statements	6,603,738
Add: Adjustments to Assistance Listing Numbers 10.555 and 84.010 (see Note 4)	<u>4,225</u>
Expenditures per schedule of expenditures of federal awards	<u><u>\$ 6,607,963</u></u>

NOTE 4 - ADJUSTMENTS

Adjustments were made for Assistance Listing Number (ALN) 10.555 of \$5,592 to correct an over accrual of an amount passed through the Michigan Department of Education in the prior period. Adjustments were made for ALN 84.010 of \$748 and \$619 for amounts passed through the Michigan Department of Education and through Calhoun Intermediate School District, respectively, for draws made on prior year expenditures.



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**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***

To the Board of Education
Grand Ledge Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Ledge Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Grand Ledge Public Schools's basic financial statements, and have issued our report thereon dated September 3, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grand Ledge Public Schools'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 Grand Ledge Public Schools's internal control. Accordingly, we do not express an opinion on the effectiveness of Grand Ledge Public Schools's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Maney Costeiran PC

September 3, 2024



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Grand Ledge Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Manes Costeiran PC

September 3, 2024

**GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- | | | | |
|---|-----------|------------------------------|--|
| ➤ Material weakness(es) identified ? | _____ Yes | _____ <u>X</u> None | |
| ➤ Significant deficiency(ies) identified that are not | _____ Yes | _____ <u>X</u> None reported | |
| Noncompliance material to financial statements noted? | _____ Yes | _____ <u>X</u> None | |

Federal Awards

Internal control over major programs:

- | | | | |
|---|-----------|------------------------------|--|
| ➤ Material weakness(es) identified: | _____ Yes | _____ <u>X</u> None | |
| ➤ Significant deficiency(ies) identified that are not | _____ Yes | _____ <u>X</u> None reported | |

Type of auditor's report issued on compliance for major

Unmodified

Any audit findings that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?

_____ Yes _____ X No

Identification of major programs:

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
10.553 and 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ _____ 750,000

Auditee qualified as low-risk auditee?

_____ X Yes _____ No

Section II - Financial Statement Findings

None noted

Section III - Federal Award Findings and Question Costs

None noted

**GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

There were no audit findings in the prior audit period.