Maner Costerisan

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August 21, 2023

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, 2023, 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 August 21, 2023 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, 2024 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,

Maner Costerisan PC

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August 21, 2023

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, 2023. 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. 96 *Subscription-based IT Arrangements*, during the year ended June 30, 2023. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. 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 August 21, 2023.

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,

Maner Costerisan PC

GRAND LEDGE PUBLIC SCHOOLS

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

YEAR ENDED JUNE 30, 2023

Maner Costerisan

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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, 2023, 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, 2023, 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.

Change in Accounting Principle

As discussed in Note 14 to the financial statements, in 2023 the District adopted new accounting guidance, GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 August 21, 2023 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.

Maner Costerisan PC

August 21, 2023

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, 2023.

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 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, and 2023 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.

Fiduciary funds are for assets that belong to others, such as certain student activities funds where the District is the trustee or fiduciary. The District cannot use these assets to finance its operations, but it is responsible to ensure that these funds are used for their intended purposes. Only measurable and currently available funds are reported. Liabilities to beneficiaries are recognized when an event has occurred that compels the District to disburse fiduciary resources.

Some of these funds are established by State law and by bond covenants while others can be established for the District to control and manage money for a particular purpose such as school lunch.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is 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.

Summary of Net Position

The following is a summary of the District's net position at June 30, 2023 and 2022.

	June 30, 2023	June 30, 2022
Current and other assets	$ 76,848,140	$ 63,827,409
Capital assets, net of depreciation	141,999,263	131,525,497
Total assets	218,847,403	195,352,906
Deferred outflows of resources	52,310,202	25,495,731
Other liabilities	11,482,411	11,083,607
Other noncurrent liabilities	143,947,412	124,527,802
Net pension liability	121,693,162	73,028,801
Net other postemployment benefits liability	6,950,297	4,787,035
Total liabilities	284,073,282	213,427,245
Deferred inflows of resources	24,134,320	48,184,843
Net position		
Net investment in capital assets	46,473,483	42,735,094
Restricted	3,955,444	3,314,127
Unrestricted	(87,478,924)	(86,812,672)
Total net position	$ (37,049,997)	$ (40,763,451)

Analysis of Financial Position

During fiscal year ended June 30, 2023, the District's net position increased by $3,713,454. 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 $12,522,694 for the fiscal year ended June 30, 2023. When Other Financing Sources (Uses) are included, revenues and other financing sources exceeded expenditures and other financing sources (uses) by $12,838,903 due to proceeds from sale of capital assets of $24,149, proceeds from subscription-based IT arrangements $460,704, proceeds from sale of bonds and the associated bond premium of $23,220,000, and $1,656,744, 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, 2023, the depreciation/amortization expense was $5,311,467.

C. Capital Acquisitions

Capital outlay for the year ended June 30, 2023 totaled $15,800,628 primarily due to $1.47 million in capital outlay expenditures in the 2019 Capital Projects Proposal II Fund, $6.60 million in capital outlay expenditures in the 2021 Capital Projects Proposal I Fund, $2.64 million in capital outlay expenditures in the 2021 Capital Projects Proposal II Fund, and $2.40 million in capital outlay expenditures in the 2023 Capital Projects Fund. Capital outlay was offset by current year depreciation expense of $5,311,467. The result was an increase in net position from capital outlays of $10,473,766.

D. Debt Repayments and Issuance

The District repaid existing debt and issued new debt during the fiscal year. The District also entered into a new subscription-based IT arrangement (SBITA). 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 $5,114,465 of long-term debt, issued $23,220,000 of new debt, and entered into a SBITA with a net present value of future payments of $460,704 during the year ended June 30, 2023.

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, 2023. With an increase in taxable values, and federal and state funding, total unrestricted and restricted revenue increased in 2023. On the expense side, the district experienced a slight increase in operating expenses. Capital outlay continues as the District spends on the sinking fund, and the 2019, 2021, and 2023 capital project funds.

	2023	2022
Revenue		
General revenue		
Property taxes, levied for general purposes	$ 10,771,943	$ 10,665,403
Property taxes, levied for debt service	9,955,361	9,369,733
Property taxes, levied for sinking fund	1,395,928	1,313,202
State of Michigan aid, unrestricted	34,515,889	33,381,663
Interest and investment earnings (loss), net	1,113,838	(586,456)
Sale of telecommunication rights	-	4,635,000
Other general revenue	599,173	750,478
Total general revenue	58,352,132	59,529,023
Program revenue		
Charges for services	4,323,062	2,866,688
Operating grants and contributions	23,149,340	18,985,607
Total revenue	85,824,534	81,381,318
Expenses		
Instruction	39,824,700	34,103,850
Supporting services	26,251,370	22,364,335
Community services	2,948,655	2,442,931
Food services	2,008,517	2,112,117
School store	17,230	13,128
Student/school activities	459,352	380,948
Interest on long-term debt	5,289,789	6,520,440
Depreciation/Amortization - unallocated	5,311,467	5,075,157
Total expenses	82,111,080	73,012,906
Change in net position	$ 3,713,454	$ 8,368,412

The General Fund, and 2019, 2021, and 2023 Capital Projects 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, Debt Retirement Funds, and Non-Major Capital Project Funds. The annual fund financial statements provide the following insights about the results of this year's operations:

Major Funds

A. General Fund

As a percentage of total expenditures, the General Fund experienced an increase in fund equity of $893,947 or 1.26% of total expenditures for the year ending June 30, 2023. The beginning fund balance was $6,475,986 as of July 1, 2022 and the ending total fund balance was $7,369,933 at June 30, 2023, which equates to 10.36% 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 $1,281,674. The beginning fund balance was $2,027,224 as of July 1, 2022 and the ending total fund balance was $745,550 at June 30, 2023.

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 $5,837,581. The beginning fund balance was $29,150,597 as of July 1, 2022 and the ending total fund balance was $23,313,016 at June 30, 2023.

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 $2,641,391. The beginning fund balance was $3,345,155 as of July 1, 2022 and the ending total fund balance was $703,764 at June 30, 2023.

E. 2023 Capital Projects Fund

Spending on the 2023 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 $22,185,006. The beginning fund balance was $0 as of July 1, 2022 and the ending total fund balance was $22,185,006 at June 30, 2023.

F. Other Nonmajor Funds

Other nonmajor governmental funds experienced a decrease in fund balance of $479,404 during the year. The beginning fund balance on July 1, 2022 was $12,467,023 and at June 30, 2023 the fund balance was $11,987,619. The Sinking Fund, approved by voters in September of 2002, finished its twentieth year with a fund balance of $2,881,637, up from $2,034,930 at the end of 2022-2023. 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 2022-2023 by $248,540 for a total fund balance at year-end of $963,389. The District also maintains various debt service funds, 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.

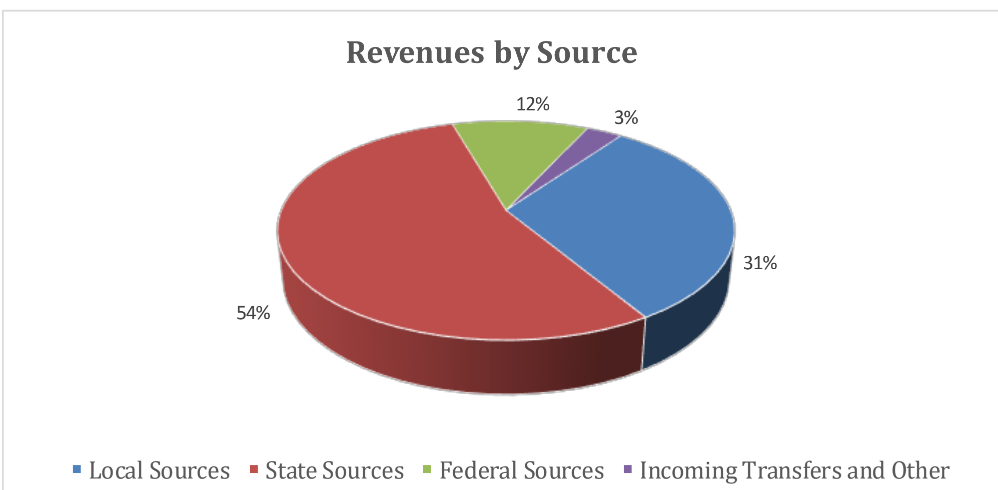
General Fund

In the General Fund, actual revenue was $70.7 million. This is above the original budget estimate of $61.5 million and below the final amended budgeted amount of $71.6 million. The actual expenditures of the General Fund were $71.1 million. This is above the original budget estimate of $62.4 million and below the final amended budgeted amount of $72.3 million, a variance of $1,188,012 or 1.64% of expenditures.

The General fund expenditures exceeded revenues by $428,561 for the year ending June 30, 2023. After adjusting for net uses of Other Financing Sources and Uses of $1,322,508 revenues and other financing sources exceeded expenditures and other financing uses by $893,947. The ending fund balance in the General Fund for the year ending June 30, 2023 was $7,369,933 , which is 10.35% of expenditures of $71,145,358. For the prior year which ended June 30, 2022, the fund balance was $6,475,986, which was 9.82% of expenditures of $65,949,259.

Governmental Fund Revenues

Revenues for all governmental funds totaled $89.98 million for 2022-2023. The following graph illustrates the District's revenues by source as a percentage of total revenue:



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, 2023, the foundation allowance for Grand Ledge Public Schools was established at $9,150, resulting in an increase of $450 from the funding level for 2021-2022. Student enrollment for state aid for the 2022-2023 year was 5,069, an increase of 161 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 2022-2023 and the previous ten years:

Year	Student Enrollment	Change from Prior Year	Foundation Allowance	Change from Prior Year
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
2013 / 2014	5,099	(4)	7,026	60

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 2022, 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 $9.4 million for the year.

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

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, 2023, expenditures were $102.5 million for all District programs.

	Expenditures and Other Uses (in millions)	Percent of Total
General fund	$ 71.1	69%
Other governmental funds	31.4	31%
Total	$ 102.5	100%

Capital Asset and Debt Administration

A. Capital Assets

At June 30, 2023, the District had $220.8 million invested in land, construction in progress, buildings, improvements, furniture and equipment, right to use asset, buses and other vehicles. Of this amount, $78.8 million has been depreciated/amortized resulting in a net book value of $142.0 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.

	2023	2022
Land	$ 4,963,232	$ 4,963,232
Construction in progress	2,460,057	7,538,917
Land improvements	13,370,443	13,188,273
Buildings	17,110,024	17,110,024
Building improvements	157,204,163	137,671,628
Equipment, computers and furnishing	20,602,302	21,786,955
Right to use - subscription-based IT	460,704	-
Buses and other vehicles	4,609,339	4,887,411
Total	220,780,264	207,146,440
Less accumulated depreciation	78,781,001	75,620,943
Net capital assets	$ 141,999,263	$ 131,525,497

B. Long-Term Obligations

At June 30, 2023, the District had $143.9 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.

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

The total funding level for public school districts in Michigan has experienced a gradual increase during the last several years as the state's economy has improved and increases in the per pupil funding have occurred. The anticipated per pupil foundation allowance for fiscal year 2023-24 will increase to a level which will continue to narrow the gap between the lowest funded school districts and the highest funded.

In terms of expenditures, the cost to sustain the state-managed pension system continues to grow albeit at a much slower rate than in previous years as a result of reform legislation passed in 2012 that has helped control retirement costs. A tight labor market and a statewide teacher shortage has caused the District to increase salaries in order to be properly staffed.

In November 2011, local voters approved a request to renew the Sinking Fund levy for ten years at a reduced rate of eight tenths (.8) of a mill. The millage was renewed for an additional three years in November of 2021. The Sinking Fund is restricted in use to the purchase of land and to improvements in buildings and sites. The levy is subject to rollback based on the Headlee tax limitation clause in the State Constitution. The Sinking Fund levy has been permanently reduced to .7921 by Headlee rollbacks.

On November 6, 2018 the voters approved a request to issue $54.1 million in bonded debt to finance improvements to existing facilities, technology upgrades and the purchase of buses with Series 1 of the bonds. The Series 1 work was completed in 2022-23 and the bonds will be paid off over a period of 25 years. Work is underway for the projects covered by the Series 2 bond issuance of $30 million in 2021 and the Series 3 bond issuance of $23 million in 2023.

The world-wide Coronavirus (COVID-19) pandemic during fiscal year 2019-2020 continues to effect public schools nationwide. The District has been the recipient of one-time state and federal funds for use in addressing student learning loss and mental health issues arising as a result of the pandemic. The District will be challenged to continue meeting the additional student needs brought about by the pandemic in absence of these one-time funds.

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, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 6,241,704
Investments	7,031,667
Receivables	
Accounts receivable	219,244
Intergovernmental receivables	10,398,505
Inventories	88,518
Prepaids	847,678
Restricted cash - capital projects	372,942
Restricted investments - capital projects	51,647,882
Capital assets not being depreciated	7,423,289
Capital assets net of accumulated depreciation/amortization	134,575,974
TOTAL ASSETS	218,847,403
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	686,762
Related to other postemployment benefits	10,377,895
Related to pensions	41,245,545
TOTAL DEFERRED OUTFLOWS OF RESOURCES	52,310,202
LIABILITIES	
Accounts payable	2,408,767
Accrued salaries and related items	3,860,355
Accrued retirement	2,700,588
Accrued interest	939,159
Unearned revenue	1,573,542
Noncurrent liabilities	
Due within one year	5,014,095
Due in more than one year	138,933,317
Net other postemployment benefits liability	6,950,297
Net pension liability	121,693,162
TOTAL LIABILITIES	284,073,282
DEFERRED INFLOWS OF RESOURCES	
Related to other postemployment benefits	14,323,352
Related to pensions	793,398
Related to state aid funding for pension benefits	9,017,570
TOTAL DEFERRED INFLOWS OF RESOURCES	24,134,320
NET POSITION	
Net investment in capital assets	46,473,483
Restricted for capital projects (sinking fund)	2,881,637
Restricted for debt service	1,073,807
Unrestricted	(87,478,924)
TOTAL NET POSITION	$ (37,049,997)

See notes to financial statements.

GRAND LEDGE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
JUNE 30, 2023

		Program Revenues		Governmental Activities
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	$ 39,824,700	$ -	$ 15,040,162	$ (24,784,538)
Support services	26,251,370	341,846	5,302,943	(20,606,581)
Community services	2,948,655	2,459,418	1,327,673	838,436
Food services	2,008,517	1,000,315	1,478,562	470,360
School store	17,230	22,835	-	5,605
Student/school activities	459,352	498,648	-	39,296
Interest on long-term debt	5,289,789	-	-	(5,289,789)
Unallocated depreciation/amortization	5,311,467	-	-	(5,311,467)
Total governmental activities	$ 82,111,080	$ 4,323,062	$ 23,149,340	(54,638,678)
General revenues				
Property taxes, levied for general purposes				10,771,943
Property taxes, levied for debt service				9,955,361
Property taxes, levied for sinking fund				1,395,928
Investment earnings (loss), net				1,113,838
State sources - unrestricted				34,515,889
Other				599,173
Total general revenues				58,352,132
CHANGE IN NET POSITION				3,713,454
Net position, beginning of year				(40,763,451)
Net position, end of year				$ (37,049,997)

See notes to financial statements.

GRAND LEDGE PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	2019 Capital Projects Proposal II	2021 Capital Projects Proposal I	2021 Capital Projects Proposal II	2023 Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 2,644,881	$ -	$ -	$ -	$ -	$ 3,596,823	$ 6,241,704
Investments	3,159,728	-	-	-	-	3,871,939	7,031,667
Receivables							
Accounts receivable	33,205	120,000	66,032	-	-	7	219,244
Intergovernmental receivables	10,315,417	-	-	-	-	83,088	10,398,505
Due from other funds	124,071	1,897,988	-	3,647,652	-	1,977,468	7,647,179
Inventories	36,379	-	-	-	-	52,139	88,518
Prepaids	747,678	-	-	-	-	100,000	847,678
Restricted cash and cash equivalents	-	97,653	45,260	130,753	-	99,276	372,942
Restricted investments	-	13	24,098,560	-	24,705,604	2,843,705	51,647,882
TOTAL ASSETS	$ 17,061,359	$ 2,115,654	$ 24,209,852	$ 3,778,405	$ 24,705,604	$ 12,624,445	$ 84,495,319
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 615,182	$ 79,377	$ 896,836	$ 368,926	$ 118,553	$ 329,893	$ 2,408,767
Accrued salaries and related items	3,813,836	-	-	-	-	46,519	3,860,355
Accrued retirement	2,690,568	-	-	-	-	10,020	2,700,588
Due to other funds	1,124,622	1,290,727	-	2,705,715	2,402,045	124,070	7,647,179
Unearned revenue	1,447,218	-	-	-	-	126,324	1,573,542
TOTAL LIABILITIES	9,691,426	1,370,104	896,836	3,074,641	2,520,598	636,826	18,190,431

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	Total Nonmajor Funds	Total Governmental Funds
LIABILITIES							
AND FUND BALANCES (continued)							
FUND BALANCES							
Nonspendable							
Inventories	$ 36,379	$ -	$ -	$ -	$ -	$ 52,139	$ 88,518
Prepaids	747,678	-	-	-	-	100,000	847,678
Restricted for:							
Food service	-	-	-	-	-	822,122	822,122
Debt service	-	-	-	-	-	2,012,966	2,012,966
Capital projects	-	745,550	23,313,016	703,764	22,185,006	2,881,637	49,828,973
Assigned for:							
Capital projects	-	-	-	-	-	4,624,765	4,624,765
Severance pay	657,191	-	-	-	-	-	657,191
Committed							
Community service	-	-	-	-	-	937,073	937,073
School store	-	-	-	-	-	18,146	18,146
Student/school activity	-	-	-	-	-	538,771	538,771
Unassigned							
General Fund	5,928,685	-	-	-	-	-	5,928,685
TOTAL FUND BALANCES	7,369,933	745,550	23,313,016	703,764	22,185,006	11,987,619	66,304,888
LIABILITIES AND FUND BALANCES	$ 17,061,359	$ 2,115,654	$ 24,209,852	$ 3,778,405	$ 24,705,604	$ 12,624,445	$ 84,495,319

See notes to financial statements.

Total governmental fund balances		$ 66,304,888
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows on refunding		686,762
Deferred outflows of resources - related to pensions	$ 41,245,545	
Deferred inflows of resources - related to pensions	(793,398)	
Deferred outflows of resources - related to other postemployment benefits	10,377,895	
Deferred inflows of resources - related to other postemployment benefits	(14,323,352)	
Deferred inflows of resources - related to state funding for pension benefits	(9,017,570)	
		27,489,120
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
The cost of the capital assets is	220,780,264	
Accumulated depreciation/amortization is	(78,781,001)	
		141,999,263
Long-term liabilities are not due and payable in the current period and are not reported in the funds:		
General obligation bonds		(123,860,000)
Bond premium		(18,906,950)
Note from direct borrowing		(392,928)
Compensated absences and termination benefits payable		(787,534)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid		(939,159)
Net other postemployment benefits liability		(6,950,297)
Net pension liability		(121,693,162)
Net position of governmental activities		$ (37,049,997)

See notes to financial statements.

GRAND LEDGE PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	2019 Capital Projects Proposal II	2021 Capital Projects Proposal I	2021 Capital Projects Proposal II	2023 Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Local sources							
Property taxes	$ 10,771,943	$ -	$ -	$ -	$ -	$ 11,351,289	$ 22,123,232
Investment earnings, net	111,233	68,479	760,234	794	-	173,098	1,113,838
Food sales and other	-	-	-	-	-	2,886,401	2,886,401
Student/school activities	-	-	-	-	-	498,648	498,648
Other	794,003	120,000	-	-	-	596,167	1,510,170
Total local sources	11,677,179	188,479	760,234	794	-	15,505,603	28,132,289
State sources	48,632,324	-	-	-	-	176,409	48,808,733
Federal sources	7,664,355	-	-	-	-	2,633,468	10,297,823
Incoming transfers and other	2,742,939	-	-	-	-	-	2,742,939
TOTAL REVENUES	70,716,797	188,479	760,234	794	-	18,315,480	89,981,784
EXPENDITURES							
Current							
Instruction	42,168,767	-	-	-	-	-	42,168,767
Supporting services	28,599,207	-	-	-	-	-	28,599,207
Food service activities	-	-	-	-	-	2,107,170	2,107,170
Community service activities	7,085	-	-	-	-	3,022,794	3,029,879
School store	-	-	-	-	-	17,230	17,230
Student/school activities	-	-	-	-	-	459,352	459,352

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	Total Nonmajor Funds	Total Governmental Funds
EXPENDITURES (continued)							
Current (continued)							
Capital outlay	$ 201,778	$ 1,470,153	$ 6,597,815	$ 2,642,185	$ 2,396,840	$ 2,254,900	$ 15,563,671
Payments to other districts	21,372	-	-	-	-	-	21,372
Debt service							
Principal repayment	144,465	-	-	-	-	4,970,000	5,114,465
Interest expense	2,684	-	-	-	-	5,119,700	5,122,384
Bond issuance costs	-		-	-	294,898	-	294,898
Other	-	-	-	-	-	6,083	6,083
TOTAL EXPENDITURES	71,145,358	1,470,153	6,597,815	2,642,185	2,691,738	17,957,229	102,504,478
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(428,561)	(1,281,674)	(5,837,581)	(2,641,391)	(2,691,738)	358,251	(12,522,694)
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	24,149	-	-	-	-	-	24,149
Proceeds from subscription-based IT arrangement	460,704	-	-	-	-	-	460,704
Proceeds from sale of bonds	-	-	-	-	23,220,000	-	23,220,000
Bond premium	-	-	-	-	1,656,744		1,656,744
Transfers in	837,655	-	-	-	-	-	837,655
Transfers out	-	-	-	-	-	(837,655)	(837,655)
TOTAL OTHER FINANCING SOURCES (USES)	1,322,508	-	-	-	24,876,744	(837,655)	25,361,597
NET CHANGE IN FUND BALANCES	893,947	(1,281,674)	(5,837,581)	(2,641,391)	22,185,006	(479,404)	12,838,903
FUND BALANCES							
Beginning of year	6,475,986	2,027,224	29,150,597	3,345,155	-	12,467,023	53,465,985
End of year	$ 7,369,933	$ 745,550	$ 23,313,016	$ 703,764	$ 22,185,006	$ 11,987,619	$ 66,304,888

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, 2023

Net change in fund balances total governmental funds	$ 12,838,903
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	(5,311,467)
Capital outlay	15,800,628
Net book value of capital assets disposed	(15,395)
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	862,183
Accrued interest payable, end of the year	(939,159)
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 subscription-based IT arrangements	(460,704)
Proceeds from bond issuance	(23,220,000)
Premium on bond issuance	(1,656,744)
Payments on debt	5,114,465
Amortization of deferred charge on refunding	(91,041)
Amortization of bond premium	1,154,287
Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered available:	
Deferred inflows of resources - unavailable revenue, beginning of the year	(140,000)
Deferred inflows of resources - unavailable revenue, end of the year	-
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	436,620
Accrued compensated absences and termination benefits, end of the year	(787,534)
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	(820,218)
Other postemployment benefits related items	4,990,029
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	4,976,171
State aid funding, end of year	(9,017,570)
Change in net position of governmental activities	$ 3,713,454

See notes to financial statements.

GRAND LEDGE PUBLIC SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2023

	Custodial Funds
DEDUCTIONS	
Scholarships awarded	$ 4,975
CHANGE IN NET POSITION	(4,975)
NET POSITION	
Beginning of year	4,975
End of year	$ -

See 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, and 2023 *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 issued after May 1, 1994. For these capital projects, the school district has complied with the applicable provisions of §1351a of the Revised School Code.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

The District issued $52,145,000 of bonds on March 20, 2019, $30,090,000 of bonds on June 3, 2021, and $23,220,000 of bonds on June 1, 2023, 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, and 2023 capital projects funds, respectively.

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

	2019 Capital Projects Proposal II	2021 Capital Projects Proposal I	2021 Capital Projects Proposal II	2023 Capital Projects
Revenues and other financing sources	$ 22,519,270	$ 31,024,713	$ 7,931,212	$ 24,876,744
Expenditures and other financing uses	$ 21,773,720	$ 7,711,697	$ 7,227,448	$ 2,691,738

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

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 *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Sinking Capital Projects* accounts for the receipt of sinking fund millage proceeds and the acquisition of fixed assets or construction of capital projects. The District has complied with the applicable provisions of § 1212(1) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95 relating to sinking funds.

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

Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement. Fiduciary funds are not included in the government-wide statements.

The *Custodial Fund* consists of assets for the benefit of individuals and the District does not have administrative involvement with the assets or direct financial involvement with the assets. In addition, the assets are not derived from the District's provision of goods or services to those individuals. This fund is used to account for assets that the District holds for others in an agency capacity.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

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.

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,* as are the fiduciary and proprietary fund financial statements. 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 fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, except for the recognition of certain liabilities to the beneficiaries of a fiduciary activity. Liabilities to beneficiaries are recognized when an event has occurred that compels the District to disburse fiduciary resources.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

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, 2023. The District does not consider these amendments to be significant.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Investments (continued)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets (continued)

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 liability, 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 position 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.

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 position 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 and Section 147c2 state aid deferred to offset deferred outflows related to Section 147c and Section 147c2 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.

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.

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, 2023, 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.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2023 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, 2023, $6,401,559 of the District's bank balance of $6,705,799 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 $6,614,646.

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	$ 12,674,471	0.2279
MILAF External Investment Pool - MAX	9,680,809	N/A
MILAF External Investment Pool - CMC	3,346,734	N/A
Morgan Stanley Institutional Liquidity Fund	24,705,604	0.0219
Michigan Class Investment Pool	8,271,931	0.0048
Total fair value	$ 58,679,549	
Portfolio weighted average maturity		0.0760

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	$ 12,674,471	AA+	Standard & Poor's
MILAF External Investment Pool - MAX	9,680,809	AAAm	Standard & Poor's
MILAF External Investment Pool - CMC	3,346,734	AAAm	Standard & Poor's
Morgan Stanley Institutional Liquidity Fund	24,705,604	AAAm	Standard & Poor's
Michigan Class Investment Pool	8,271,931	AAAm	Standard & Poor's
Total	$ 58,679,549		

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.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

	Level 1	Level 2	Level 3	Balance at June 30, 2023
Investments by fair value level				
U.S. Treasury Notes	$ 12,674,471	$ -	$ -	$ 12,674,471

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.

	Amortized Cost
MILAF External Investment Pool - MAX	$ 9,680,809
MILAF External Investment Pool - CMC	3,346,734
	$ 13,027,543

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 statues 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.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

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

At the year ended June 30, 2023, 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	$ 8,271,931	$ -	No restrictions	None
Morgan Stanley Institutional Liquidity Fund	24,705,604	-	No restrictions	None
Total	$ 32,977,535	$ -		

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, 2023:

	Primary Government
Cash and cash equivalents	$ 6,241,704
Investments	7,031,667
Restricted cash and cash equivalents	372,942
Restricted investments	51,647,882
	$ 65,294,195

NOTE 3 - CAPITAL ASSETS

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

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Governmental activities				
Capital assets, not being depreciated				
Land	$ 4,963,232	$ -	$ -	$ 4,963,232
Construction in progress	7,538,917	312,175	5,391,035	2,460,057
Total assets not being depreciated	12,502,149	312,175	5,391,035	7,423,289
Capital assets, being depreciated/amortized				
Land improvements	13,188,273	182,170	-	13,370,443
Buildings	17,110,024	-	-	17,110,024
Building improvements	137,671,628	19,558,194	25,659	157,204,163
Equipment, computers and furnishing	21,786,955	234,161	1,418,814	20,602,302
Right to use - subscription-based IT	-	460,704	-	460,704
School buses and other vehicles	4,887,411	444,259	722,331	4,609,339
Subtotal	194,644,291	20,879,488	2,166,804	213,356,975
Accumulated depreciation/amortization				
Land improvements	4,509,141	681,382	-	5,190,523
Buildings	12,276,894	240,000	-	12,516,894
Building improvements	38,422,152	3,396,765	10,264	41,808,653
Equipment, computers and furnishing	17,438,967	484,562	1,418,814	16,504,715
Right to use - subscription-based IT	-	70,385	-	70,385
School buses and other vehicles	2,973,789	438,373	722,331	2,689,831
Total accumulated depreciation/amortization	75,620,943	5,311,467	2,151,409	78,781,001
Net capital assets being depreciated/amortized	119,023,348	15,568,021	15,395	134,575,974
Net governmental capital assets	$ 131,525,497	$ 15,880,196	$ 5,406,430	$ 141,999,263

Depreciation/amortization for the fiscal year ended June 30, 2023 amounted to $5,311,467. The District determined that it was impractical to allocate depreciation/amortization to the various governmental activities as the assets serve multiple functions.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Receivables at June 30, 2023 consist of the following:

	Government-wide
State aid	$ 9,094,494
Federal grants and other pass-through agencies	1,162,556
Other	141,455
	$ 10,398,505

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, 2023:

	General Obligation Bonds	Direct Borrowing and Direct Placement	Compensated Absences	Termination Benefits	Total
Balance, July 1, 2022	$ 124,014,493	$ 76,689	$ 270,268	$ 166,352	$ 124,527,802
Additions	24,876,744	460,704	386,923	-	25,724,371
Deletions	6,124,287	144,465	-	36,009	6,304,761
Balance, June 30, 2023	142,766,950	392,928	657,191	130,343	143,947,412
Due within one year	4,930,000	60,595	13,100	10,400	5,014,095
Due in more than one year	$ 137,836,950	$ 332,333	$ 644,091	$ 119,943	$ 138,933,317

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Long-term obligation debt at June 30, 2023 is comprised of the following:

General Obligations Bonds	
Serial bond due in an annual installment of $2,810,000 on May 1, 2024, with interest at 5.00%.	$ 2,810,000
Serial bond due in annual installments of $1,210,000 to $1,315,000 through May 1, 2037, with interest at 4.00% to 5.00%.	17,440,000
Serial bond due in annual installments of $160,000 to $4,430,000 through May 1, 2044, with interest at 4.00% to 5.00%.	51,585,000
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%.	28,805,000
Serial bond due in semi-annual installments of $325,000 to $1,525,000 paid in November and May through November 1, 2047, with interest at 4.00% to 5.00%.	23,220,000
Plus premiums on bonds	18,906,950
Total general obligation bonds	142,766,950
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%.	392,928
Compensated absences and termination benefits	787,534
Total general long-term obligations	$ 143,947,412

The District's outstanding notes from direct borrowings and direct placements related to governmental activities of $392,928 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, 2023, $26,970,000 of bonds outstanding are considered defeased.

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

The annual requirements to amortize long-term obligations outstanding exclusive of compensated absences payments as of June 30, 2023, are as follows:

Year Ending June 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	Notes from Direct Borrowings and Direct Placements Principal	Notes from Direct Borrowings and Direct Placements Interest	Compensated Absences and Termination Benefits	Total
2024	$ 4,930,000	$ 5,811,453	$ 60,595	$ 7,859	$ -	$ 10,809,907
2025	3,825,000	5,754,524	62,492	6,647	-	9,648,663
2026	4,000,000	5,577,925	64,433	5,397	-	9,647,755
2027	3,960,000	5,392,875	66,420	4,108	-	9,423,403
2028	4,140,000	5,211,025	68,453	2,780	-	9,422,258
2029 - 2033	23,725,000	22,949,825	70,535	1,411	-	46,746,771
2034 - 2038	29,800,000	16,570,875	-	-	-	46,370,875
2039 - 2043	36,090,000	8,438,275	-	-	-	44,528,275
2044 - 2047	13,390,000	1,251,500	-	-	-	14,641,500
	123,860,000	76,958,277	392,928	28,202	-	201,239,407
Premiums on bonds	18,906,950	-	-	-	-	18,906,950
Compensated absences and termination benefits	-	-	-	-	787,534	787,534
	$ 142,766,950	$ 76,958,277	$ 392,928	$ 28,202	$ 787,534	$ 220,933,891

Interest expense (all funds) for the year ended June 30, 2023 was approximately $5,300,000.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2023 are as follows:

Receivable Fund	
General fund	$ 124,071
Other nonmajor fund	1,977,468
Capital projects funds	
2019 - proposal II	1,897,988
2021 - proposal II	3,647,652
	$ 7,647,179

Payable Fund	
General fund	$ 1,124,622
Other nonmajor funds	124,070
Capital projects funds	
2019 - proposal II	1,290,727
2021 - proposal II	2,705,715
2023	2,402,045
	$ 7,647,179

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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) (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. MPSERS 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 MPSERS is as follows:

Plan Name	Plan Type	Plan Status
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%.

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 transient 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.

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.

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 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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (continued)

Pension and OPEB contributions made in the fiscal year ending September 30, 2022 were determined as of the September 30, 2019 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2018 are amortized over a 17-year period beginning October 1, 2021 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, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%
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, 2023 were equal to the required contribution total. Total pension contributions were approximately $15,335,000. Of the total pension contributions approximately $14,904,000 was contributed to fund the Defined Benefit Plan and approximately $431,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2023 were equal to the required contribution total. Total OPEB contributions were approximately $2,889,000. Of the total OPEB contributions approximately $2,608,000 was contributed to fund the Defined Benefit Plan and approximately $281,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefit, include contributions funded from State Revenue Section 147c and Section 147c2 restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

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

Pension Liabilities

The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2021 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.

MPSERS (Plan) Non-university Employers	September 30, 2022	September 30, 2021
Total pension liability	$ 95,876,795,620	$ 86,392,473,395
Plan fiduciary net position	$ 58,268,076,344	$ 62,717,060,920
Net pension liability	$ 37,608,719,276	$ 23,675,412,475
Proportionate share	0.32358%	0.30846%
Net pension liability for the District	$ 121,693,162	$ 73,028,801

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

For the year ended June 30, 2023, the District recognized pension expense of $15,724,001.

At June 30, 2023, 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	$ 4,654,806	$ 521,305
Differences between expected and actual experience	1,217,356	272,093
Changes of assumptions	20,911,246	-
Net difference between projected and actual plan investments earnings	285,371	-
Reporting Unit's contributions subsequent to the measurement date	14,176,766	-
	$ 41,245,545	$ 793,398

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)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

$14,176,766, 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
2023	$ 7,502,301
2024	6,116,733
2025	5,265,296
2026	7,391,051

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

OPEB Liabilities

The net OPEB liability was measured as of September 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability 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.

MPSERS (Plan) Non-university Employers	September 30, 2022	September 30, 2021
Total Other Postemployment Benefit Liability	$ 12,522,713,324	$ 12,046,393,511
Plan fiduciary net position	$ 10,404,650,683	$ 10,520,015,621
Net Other Postemployment Benefit Liability	$ 2,118,062,641	$ 1,526,377,890
Proportionate share	0.32814%	0.31362%
Net Other Postemployment Benefit liability for the District	$ 6,950,297	$ 4,787,035

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

For the year ended June 30, 2023, the District recognized OPEB benefit of $2,381,917.

At June 30, 2023, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	$ 1,330,580	$ 205,949
Differences between expected and actual experience	-	13,612,969
Changes of assumptions	6,195,023	504,434
Net difference between projected and actual plan investments earnings	543,221	-
Reporting Unit's contributions subsequent to the measurement date	2,309,071	-
	$ 10,377,895	$ 14,323,352

$2,309,071, 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 in the subsequent fiscal year.

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
2023	$ (2,441,136)
2024	(2,134,380)
2025	(1,832,749)
2026	91,459
2027	29,402
2028	32,876

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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: RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Active: RP-2014 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Disabled Retirees: RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Experience Study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2021. Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2018 valuation.

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, 7.75% for year one and graded to 3.5% in year fifteen. Post 65, 5.25% for year one and graded to 3.5% in year fifteen.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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 are assumed to have coverage continuing after the retiree's death.

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

The target asset allocation at September 30, 2022 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.1%
International Equity Pools	15.0%	6.7%
Private Equity Pools	16.0%	8.7%
Real Estate and Infrastructure Pools	10.0%	5.3%
Fixed Income Pools	13.0%	-0.2%
Absolute Return Pools	9.0%	2.7%
Real Return/Opportunistic Pools	10.0%	5.8%
Short Term Investment Pools	2.0%	-0.5%
	100.0%	

* Long term rate of return are net of administrative expenses and 2.2% inflation.

Rate of Return - For fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was (4.18)% and (4.99)%, 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 600%. 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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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	$ 160,589,764	$ 121,693,162	$ 89,640,610

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net OPEB liability calculated using a single discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher 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	$ 11,658,455	$ 6,950,297	$ 2,985,444

Sensitivity to the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability calculated using the healthcare cost trend rate, as well as what the Reporting Unit's proportionate share of the net other postemployment benefit liability 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		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability	$ 2,910,452	$ 6,950,297	$ 11,485,103

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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 2022 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 and Section 147c2 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.

NOTE 9 - TRANSFERS

The transfer of $713,655 from the general capital project fund to the general fund was to transfer prior year unrestricted telecommunications revenue to the general fund for use. The transfer of $124,000 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	$ 169,667
City of Grand Ledge	51,134
City of Lansing	91,254
Oneida Township	142,067
	$ 454,122

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.

In June 2020, the Superintendent of the District was placed on paid administrative leave and subsequently terminated. In response, an action was brought against the District, for which the District paid $937,500. Additionally, there were two separate actions against the District during 2021. These matters have been settled, and no further action will impact the District.

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – and amendment of GASB Statement N*o. 62. 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. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

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.

NOTE 14 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2023, the District implemented the following new pronouncement: GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

Summary:

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

There was no material impact to prior year numbers on the District's financial statement after the adoption of GASB Statement 96.

REQUIRED SUPPLEMENTARY INFORMATION

GRAND LEDGE PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	$ 10,624,307	$ 11,661,718	$ 11,677,179	$ 15,461
State sources	41,804,793	49,719,215	48,632,324	(1,086,891)
Federal sources	6,892,172	7,448,481	7,664,355	215,874
Incoming transfers and other	2,151,706	2,754,878	2,742,939	(11,939)
TOTAL REVENUES	61,472,978	71,584,292	70,716,797	(867,495)
EXPENDITURES				
Current				
Instruction				
Basic programs	29,737,561	33,093,701	34,147,086	(1,053,385)
Added needs	8,411,731	8,777,617	8,021,681	755,936
Total instruction	38,149,292	41,871,318	42,168,767	(297,449)
Supporting services				
Pupil	5,008,194	5,728,573	5,159,065	569,508
Instructional staff	2,097,863	2,594,490	2,438,878	155,612
General administration	747,204	1,696,663	1,663,202	33,461
School administration	3,414,579	3,601,973	3,545,873	56,100
Business services	652,950	841,441	820,997	20,444
Operation/maintenance	5,499,246	7,209,228	7,010,351	198,877
Pupil transportation	3,889,639	4,688,251	4,586,039	102,212
Central	1,963,167	2,515,857	2,475,476	40,381
Athletics	873,029	918,662	899,326	19,336
Total supporting services	24,145,871	29,795,138	28,599,207	1,195,931
Community services	14,914	10,662	7,085	3,577
Payments to other school districts	-	5,209	21,372	(16,163)
Capital outlay	42,000	503,894	201,778	302,116
Debt service	82,057	147,149	147,149	-
TOTAL EXPENDITURES	62,434,134	72,333,370	71,145,358	1,188,012
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(961,156)	(749,078)	(428,561)	320,517
OTHER FINANCING SOURCES (USES)				
Transfers in	-	903,655	837,655	(66,000)
Proceeds from sale of capital assets	-	24,149	24,149	-
Proceeds from subscription-based IT arrangement	-	460,704	460,704	-
TOTAL OTHER FINANCING SOURCES (USES)	-	1,388,508	1,322,508	(66,000)
NET CHANGE IN FUND BALANCE	$ (961,156)	$ 639,430	893,947	$ 254,517
FUND BALANCE				
Beginning of year			6,475,986	
End of year			$ 7,369,933	

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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	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	$ 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	$ 32,043,734	$ 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 (%)	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)	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

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 PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 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
Contributions in relation to statutorily required contributions	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
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 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
Contributions as a percentage of covered-employee payroll	45.69%	34.37%	32.60%	30.09%	30.17%	30.74%	27.19%	26.26%	21.12%

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 PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)

	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability (%)	0.32814%	0.31362%	0.30292%	0.30273%	0.31008%	0.30865%
Reporting Unit's proportionate share of net OPEB liability	$ 6,950,297	$ 4,787,035	$ 16,228,114	$ 21,729,350	$ 24,648,294	$ 27,332,217
Reporting Unit's covered-employee payroll	$ 32,043,734	$ 28,621,618	$ 26,992,587	$ 26,623,895	$ 26,425,708	$ 26,065,957
Reporting Unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll (%)	21.69%	16.73%	60.12%	81.62%	93.27%	104.86%
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)	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, Reporting Units should present 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)

	2023	2022	2021	2020	2019	2018
Statutorily required contributions	$ 2,608,112	$ 2,656,683	$ 2,374,534	$ 2,288,907	$ 2,169,967	$ 2,249,686
Contributions in relation to statutorily required contributions	2,608,112	2,656,683	2,374,534	2,288,907	2,169,967	2,249,686
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 32,622,739	$ 31,851,990	$ 27,495,900	$ 27,230,502	$ 26,459,231	$ 26,368,179
Contributions as a percentage of covered-employee payroll	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, Reporting Units should present information for those years for which information is available.

GRAND LEDGE PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

NOTE 1 - PENSION INFORMATION

Benefit Changes - there were no changes of benefit terms in 2022.

Changes of Assumptions - the assumption changes for 2022 were:

- Discount rate for MIP, Basic, and Pension Plus plans decreased to 6.00% from 6.80%.

NOTE 2 - OPEB INFORMATION

Benefit Changes - there were no changes of benefit terms in 2022.

Changes of Assumptions - the assumption changes for 2022 were:

- Discount rate decreased to 6.00% from 6.95%.

ADDITIONAL SUPPLEMENTARY INFORMATION

GRAND LEDGE PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Funds
ASSETS				
Cash and cash equivalents	$ 1,534,425	$ 2,012,767	$ 49,631	$ 3,596,823
Investments	-	-	3,871,939	3,871,939
Accounts receivable	7	-	-	7
Intergovernmental receivables	83,088	-	-	83,088
Due from other funds	1,124,422	199	852,847	1,977,468
Inventories	52,139	-	-	52,139
Prepaids	100,000	-	-	100,000
Restricted cash and cash equivalents	-	-	99,276	99,276
Restricted investments	-	-	2,843,705	2,843,705
TOTAL ASSETS	$ 2,894,081	$ 2,012,966	$ 7,717,398	$ 12,624,445
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 118,897	$ -	$ 210,996	$ 329,893
Accrued salaries and related	46,519	-	-	46,519
Accrued retirement	10,020	-	-	10,020
Due to other funds	124,070	-	-	124,070
Unearned revenue	126,324	-	-	126,324
TOTAL LIABILITIES	425,830	-	210,996	636,826
FUND BALANCES				
Nonspendable				
Inventories	52,139	-	-	52,139
Prepaids	100,000	-	-	100,000
Restricted for:				
Food service	822,122	-	-	822,122
Debt service	-	2,012,966	-	2,012,966
Capital projects	-	-	2,881,637	2,881,637
Assigned for:				
Capital projects	-	-	4,624,765	4,624,765
Committed				
Community service	937,073	-	-	937,073
School store	18,146	-	-	18,146
Student/school activities	538,771	-	-	538,771
TOTAL FUND BALANCES	2,468,251	2,012,966	7,506,402	11,987,619
TOTAL LIABILITIES AND FUND BALANCES	$ 2,894,081	$ 2,012,966	$ 7,717,398	$ 12,624,445

GRAND LEDGE PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Funds
REVENUES				
Local sources				
Property taxes	$ -	$ 9,955,361	$ 1,395,928	$ 11,351,289
Investment earnings, net	1,295	8,698	163,105	173,098
Food sales and other	2,886,401	-	-	2,886,401
Student/school activities	498,648	-	-	498,648
Other	596,167	-	-	596,167
Total local sources	3,982,511	9,964,059	1,559,033	15,505,603
State sources	173,139	2,867	403	176,409
Federal sources	2,633,468	-	-	2,633,468
TOTAL REVENUES	6,789,118	9,966,926	1,559,436	18,315,480
EXPENDITURES				
Current				
Food service activities	2,107,170	-	-	2,107,170
Community service activity	3,022,794	-	-	3,022,794
School store	17,230	-	-	17,230
Student/school activities	459,352	-	-	459,352
Capital outlay	-	-	2,254,900	2,254,900
Debt service				
Principal repayment	-	4,970,000	-	4,970,000
Interest expense	-	5,119,700	-	5,119,700
Other	-	5,640	443	6,083
TOTAL EXPENDITURES	5,606,546	10,095,340	2,255,343	17,957,229
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,182,572	(128,414)	(695,907)	358,251
OTHER FINANCING SOURCES (USES)				
Transfers out	(124,000)	-	(713,655)	(837,655)
NET CHANGE IN FUND BALANCES	1,058,572	(128,414)	(1,409,562)	(479,404)
FUND BALANCES				
Beginning of year	1,409,679	2,141,380	8,915,964	12,467,023
End of year	$ 2,468,251	$ 2,012,966	$ 7,506,402	$ 11,987,619

GRAND LEDGE PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Food Service	Community Service	School Store	Student/ School Activities	Totals
ASSETS					
Cash and cash equivalents	$ 975,556	$ -	$ 18,146	$ 540,723	$ 1,534,425
Accounts receivable	-	-	7	-	7
Intergovernmental receivables	83,088	-	-	-	83,088
Due from other funds	-	1,117,967	-	6,455	1,124,422
Prepaids	100,000	-	-	-	100,000
Inventories	41,267	-	10,872	-	52,139
TOTAL ASSETS	$ 1,199,911	$ 1,117,967	$ 29,025	$ 547,178	$ 2,894,081
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 37,645	$ 72,845	$ -	$ 8,407	$ 118,897
Accrued salaries and related items	2,099	44,420	-	-	46,519
Accrued retirement	378	9,642	-	-	10,020
Due to other funds	124,063	-	7	-	124,070
Unearned revenue	72,337	53,987	-	-	126,324
TOTAL LIABILITIES	236,522	180,894	7	8,407	425,830
FUND BALANCES					
Nonspendable					
Inventories	41,267	-	10,872	-	52,139
Prepaids	100,000	-	-	-	100,000
Restricted for food service	822,122	-	-	-	822,122
Committed for:					
Community service	-	937,073	-	-	937,073
School store	-	-	18,146	-	18,146
Student/school activities	-	-	-	538,771	538,771
TOTAL FUND BALANCES	963,389	937,073	29,018	538,771	2,468,251
TOTAL LIABILITIES AND FUND BALANCES	$ 1,199,911	$ 1,117,967	$ 29,025	$ 547,178	$ 2,894,081

GRAND LEDGE PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023

	Food Service	Community Service	School Store	Student/ School Activities	Totals
REVENUES					
Sales	$ 991,061	$ 1,872,505	$ 22,835	$ -	$ 2,886,401
Student/school activities	-	-	-	498,648	498,648
State sources	173,139	-	-	-	173,139
Federal sources	1,305,423	1,328,045	-	-	2,633,468
Investment earnings	833	-	7	455	1,295
Other	9,254	586,913	-	-	596,167
TOTAL REVENUES	2,479,710	3,787,463	22,842	499,103	6,789,118
EXPENDITURES					
Salaries	570,625	1,592,644	-	-	2,163,269
Benefits	305,454	956,964	-	-	1,262,418
Purchased services	263,417	38,391	-	-	301,808
Supplies and materials	939,171	223,432	10,665	-	1,173,268
Capital outlay	17,363	-	-	-	17,363
Other	11,140	211,363	6,565	459,352	688,420
TOTAL EXPENDITURES	2,107,170	3,022,794	17,230	459,352	5,606,546
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	372,540	764,669	5,612	39,751	1,182,572
OTHER FINANCING SOURCES (USES)					
Transfers out	(124,000)	-	-	-	(124,000)
NET CHANGE IN FUND BALANCES	248,540	764,669	5,612	39,751	1,058,572
FUND BALANCES					
Beginning of year	714,849	172,404	23,406	499,020	1,409,679
End of year	$ 963,389	$ 937,073	$ 29,018	$ 538,771	$ 2,468,251

GRAND LEDGE PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	2015 Refunding	2016 Refunding	2019 Building and Site	2021 Building and Site	Totals
ASSETS					
Cash and cash equivalents	$ 903,941	$ 757,746	$ 130,819	$ 220,261	$ 2,012,767
Due from other funds	-	199	-	-	199
TOTAL ASSETS	$ 903,941	$ 757,945	$ 130,819	$ 220,261	$ 2,012,966
FUND BALANCES					
Restricted for debt service	$ 903,941	$ 757,945	$ 130,819	$ 220,261	$ 2,012,966

GRAND LEDGE PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023

	2015 Refunding	2016 Refunding	2019 Building and Site	2021 Building and Site	Totals
REVENUES					
Local sources					
Property taxes	$ 3,324,173	$ 2,457,906	$ 2,280,523	$ 1,892,759	$ 9,955,361
Investment earnings	2,826	1,828	2,294	1,750	8,698
State sources	952	611	576	728	2,867
TOTAL REVENUES	3,327,951	2,460,345	2,283,393	1,895,237	9,966,926
EXPENDITURES					
Principal repayment	2,845,000	1,330,000	150,000	645,000	4,970,000
Interest expense	282,750	823,500	2,583,650	1,429,800	5,119,700
Other	1,548	1,274	1,219	1,599	5,640
TOTAL EXPENDITURES	3,129,298	2,154,774	2,734,869	2,076,399	10,095,340
NET CHANGE IN FUND BALANCES	198,653	305,571	(451,476)	(181,162)	(128,414)
Beginning of year	705,288	452,374	582,295	401,423	2,141,380
End of year	$ 903,941	$ 757,945	$ 130,819	$ 220,261	$ 2,012,966

GRAND LEDGE PUBLIC SCHOOLS
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Sinking Fund	General Capital Projects	Totals
ASSETS			
Cash and cash equivalents	$ -	$ 49,631	$ 49,631
Investments	-	3,871,939	3,871,939
Due from other funds	-	852,847	852,847
Restricted cash and cash equivalents	99,276	-	99,276
Restricted investments	2,843,705	-	2,843,705
TOTAL ASSETS	$ 2,942,981	$ 4,774,417	$ 7,717,398
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 61,344	$ 149,652	$ 210,996
FUND BALANCES			
Restricted for capital projects	2,881,637	-	2,881,637
Assigned for capital projects	-	4,624,765	4,624,765
TOTAL FUND BALANCES	2,881,637	4,624,765	7,506,402
TOTAL LIABILITIES AND FUND BALANCES	$ 2,942,981	$ 4,774,417	$ 7,717,398

GRAND LEDGE PUBLIC SCHOOLS
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023

	Sinking Fund	General Capital Projects	Totals
REVENUES			
Local sources			
Property taxes	$ 1,395,928	$ -	$ 1,395,928
Investment earnings	20,577	142,528	163,105
State sources	403	-	403
TOTAL REVENUES	1,416,908	142,528	1,559,436
EXPENDITURES			
Capital outlay	569,758	1,685,142	2,254,900
Other	443	-	443
TOTAL EXPENDITURES	570,201	1,685,142	2,255,343
EXCESS OF REVENUES OVER EXPENDITURES	846,707	(1,542,614)	(695,907)
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(713,655)	(713,655)
NET CHANGE IN FUND BALANCES	846,707	(2,256,269)	(1,409,562)
FUND BALANCES			
Beginning of year	2,034,930	6,881,034	8,915,964
End of year	$ 2,881,637	$ 4,624,765	$ 7,506,402

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS - 2015 REFUNDING
JUNE 30, 2023

$23,235,000 Bonds Issued February 12, 2015.

Interest Due			Debt Service Requirement for Fiscal Year	
May 1	November 1	Principal Due May 1	June 30,	Amount
$ 70,250	$ 70,250	$ 2,810,000	2024	$ 2,950,500

The above bonds dated February 15, 2015 have interest rates of 5.00%.

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS - 2016 REFUNDING
JUNE 30, 2023

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

Interest Due			Debt Service Requirement for Fiscal Year	
May 1	November 1	Principal Due May 1	June 30,	Amount
$ 385,150	$ 385,150	$ 1,315,000	2024	$ 2,085,300
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
$ 2,994,025	$ 2,994,025	$ 17,440,000		$ 23,428,050

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, 2023

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

Interest Due			Debt Service Requirement for Fiscal Year	
May 1	November 1	Principal Due May 1	June 30,	Amount
$ 1,288,825	$ 1,288,825	$ 160,000	2024	$ 2,737,650
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
$ 18,818,700	$ 18,818,700	$ 51,585,000		$ 89,222,400

The above bonds dated March 20, 2019 have interest rates from 4.00% to 5.00%.

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS - 2021 BUILDING AND SITE
JUNE 30, 2023

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

Interest Due			Debt Service Requirement for Fiscal Year	
May 1	November 1	Principal Due May 1	June 30,	Amount
$ 702,000	$ 702,000	$ 645,000	2024	$ 2,049,000
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
$ 11,160,150	$ 11,160,150	$ 28,805,000		$ 51,125,300

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, 2023

$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
$ 547,750	$ 371,253	$ -	$ -	2024	$ 919,003
539,624	547,750	1,525,000	325,000	2025	2,612,374
493,375	501,500	1,415,000	325,000	2026	2,409,875
449,875	458,000	1,155,000	325,000	2027	2,062,875
412,875	421,000	1,155,000	325,000	2028	1,988,875
374,000	384,000	995,000	400,000	2029	1,753,000
334,125	349,125	690,000	600,000	2030	1,373,250
296,875	316,875	400,000	800,000	2031	1,013,750
264,375	286,875	260,000	900,000	2032	811,250
234,500	257,875	-	935,000	2033	492,375
214,625	234,500	-	795,000	2034	449,125
197,625	214,625	-	680,000	2035	412,250
181,375	197,625	-	650,000	2036	379,000
165,500	181,375	-	635,000	2037	346,875
150,125	165,500	-	615,000	2038	315,625
131,000	150,125	-	765,000	2039	281,125
111,000	131,000	-	1,000,000	2040	242,000
84,500	111,000	-	1,325,000	2041	195,500
62,200	84,500	-	1,115,000	2042	146,700
40,000	62,200	-	1,110,000	2043	102,200
30,000	40,000	-	500,000	2044	70,000
20,000	30,000	-	500,000	2045	50,000
10,000	20,000	-	500,000	2046	30,000
-	10,000	-	500,000	2047	10,000
$ 5,345,324	$ 5,526,703	$ 7,595,000	$ 15,625,000		$ 18,467,027

The above bonds dated June 29, 2023 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, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2023	Current Year Cash Transferred to Subrecipient
U.S. Department of Agriculture									
Passed through Michigan Department of Education									
Child Nutrition Cluster									
Non-cash assistance (donated foods)									
National School Lunch Program	10.555	N/A	$ 133,967	$ -	$ -	$ 133,967	$ 133,967	$ -	$ -
National School Lunch Program - bonus			11,427	-	-	11,427	11,427	-	-
Total ALN 10.555 non-cash assistance			145,394	-	-	145,394	145,394	-	-
Cash Assistance									
National School Lunch Program	10.555	231960	786,853	-	-	786,853	725,034	61,819	-
National School Lunch Program		221960	91,226	-	-	91,226	91,226	-	-
National School Lunch Program		230910	51,627	-	-	51,627	51,627	-	-
National School Lunch Program		220910	184,082	(31,079)	60,138	123,944	92,865	-	-
Total ALN 10.555 cash assistance			1,113,788	(31,079)	60,138	1,053,650	960,752	61,819	-
Total ALN 10.555			1,259,182	(31,079)	60,138	1,199,044	1,106,146	61,819	-
School Breakfast Program	10.553	231970	65,956	-	-	65,956	60,364	5,592	-
School Breakfast Program		221970	5,106	-	-	5,106	5,106	-	-
Total ALN 10.553			71,062	-	-	71,062	65,470	5,592	-
Total cash assistance			1,184,850	(31,079)	60,138	1,124,712	1,026,222	67,411	-
Total Child Nutrition Cluster			1,330,244	(31,079)	60,138	1,270,106	1,171,616	67,411	-
Local Food for Schools Cooperative Agreement Program	10.185	2023	23,064	-	-	23,064	23,064	-	-
COVID-19 Pandemic EBT Local Level Costs	10.649	2022	3,135	-	-	3,135	3,135	-	-
Total U.S. Department of Agriculture			1,356,443	(31,079)	60,138	1,296,305	1,197,815	67,411	-

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, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2023	Current year cash transferred to subrecipient
U.S. Department of Education									
Passed through Michigan Department of Education									
Title I Grants to Local Educational Agencies	84.010	231530-2223	$ 360,213	$ -	$ -	$ 358,440	$ 311,640	$ 46,800	$ -
Title I Grants to Local Educational Agencies		221530-2122	351,575	58,299	340,112	-	58,299	-	-
Total ALN 84.010			711,788	58,299	340,112	358,440	369,939	46,800	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	231700-2223	60,466	-	-	41,856	37,856	4,000	-
Title I State Agency Program for Neglected and Delinquent Children and Youth		221700-2122	101,329	26,243	63,777	20,783	47,026	-	-
Total ALN 84.013			161,795	26,243	63,777	62,639	84,882	4,000	-
English Language Acquisition State Grants	84.365	230580-2223	35,409	-	-	32,372	30,200	2,172	2,172
English Language Acquisition State Grants		220580-2122	33,647	2,544	14,273	-	2,544	-	-
		230570-2223	7,172	-	-	7,172	7,172	-	-
Total ALN 84.365			76,228	2,544	14,273	39,544	39,916	2,172	2,172
Supporting Effective Instruction State Grants	84.367	230520-2223	116,054	-	-	114,054	112,054	2,000	-
Supporting Effective Instruction State Grants		220520-2122	104,485	3,092	75,464	-	3,092	-	
Total ALN 84.367			220,539	3,092	75,464	114,054	115,146	2,000	-
Student Support and Academic Enrichment Program	84.424	230750-2223	35,304	-	-	19,957	19,465	492	-
Education Stabilization Fund									
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II) - Formula	84.425D	213712-2021	1,117,753	49,257	993,233	124,520	173,777	-	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II Sumer Program K-8)	84.425D	213722-2122	553,850	-	397,095	156,755	156,755	-	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II Credit Recovery 9-12)	84.425D	213742-2122	79,200	-	68,348	10,852	10,852	-	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II) - 98c	84.425D	213782-2223	253,799	-	-	44,741	38,349	6,392	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER III) - Formula	84.425U	213713-2122	2,512,100	396,227	897,724	1,064,154	1,422,325	38,056	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER III) - 11t	84.425U	213723-2122	3,268,340	-	-	2,223,935	1,954,081	269,854	-
Total ALN 84.425			7,785,042	445,484	2,356,400	3,624,957	3,756,139	314,302	-

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, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2023	Current year cash transferred to subrecipient
U.S. Department of Education (continued)									
Passed through Eaton Regional Education Service Agency (ERESA)									
Special Education Cluster									
Special Education Grants to States	84.027	230450-2223	$ 3,280,433	$ -	$ -	$ 3,237,224	$ 2,511,845	$ 725,379	$ -
Special Education Grants to States		220450-2122	3,227,532	377,893	3,227,532	-	377,893	-	-
Total passed through ERESA			6,507,965	377,893	3,227,532	3,237,224	2,889,738	725,379	-
Passed through Marquette-Alger Regional Education Service Agency									
Special Education Cluster									
Special Education Grants to States	84.027	230470-2D33	4,536	-	-	4,536	4,536	-	-
Total Special Education Cluster and ALN 84.027			6,512,501	377,893	3,227,532	3,241,760	2,894,274	725,379	-
McKinney Vento	84.196	N/A	410	-	-	410	410	-	
Total U.S. Department of Education			15,503,607	913,555	6,077,558	7,461,761	7,280,171	1,095,145	2,172
U.S. Department of Health and Human Services									
Passed through Eaton Regional Education Service Agency									
Medicaid Cluster									
Medical Assistance Program	93.778	N/A	16,665	-	-	16,665	16,665	-	-
U.S. Federal Communications Commission									
Direct Program									
COVID-19 Emergency Connectivity Fund Program	32.009	N/A	140,000	140,000	140,000	-	140,000	-	-
TOTAL FEDERAL AWARDS			$ 17,016,715	$ 1,022,476	$ 6,277,696	$ 8,774,731	$ 8,634,651	$ 1,162,556	$ 2,172

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, 2023

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, 2023. 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	$ 7,664,355
Other nonmajor governmental funds	2,633,468
Total federal revenue in the fund financial statements	10,297,823
Less: Federal assistance funding not subject to single audit act	(1,383,092)
Less: Prior year unavailable revenue not collected within 60 days	(140,000)
Expenditures per schedule of expenditures of federal awards	$ 8,774,731

NOTE 4 - PASSED THROUGH TO SUBRECIPIENTS

Of the Federal expenditures presented in the schedule of expenditures of federal awards, Grand Ledge Public Schools provided federal awards to subrecipients as reported below:

U.S. Department of Education		
Passed through the Michigan Department of Education		
Title III		
Passed through to Eaton Rapids Public Schools		
Federal ALN:		84.365
Pass-through grantor's number:		190580
Subrecipient award amount:	$	2,172
Subrecipient current year expenditures:		2,172
Current year cash transferred to subrecipient:		2,172
Total passed through to subrecipients:	$	2,172

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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, 2023, and the related notes to the financial statements, which collectively comprise Grand Ledge Public Schools' basic financial statements, and have issued our report thereon dated August 21, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Maner Costerisan PC

August 21, 2023

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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' 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' major federal programs for the year ended June 30, 2023. 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, 2023.

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' 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' 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' 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' 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' 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' 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' 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.

Maner Costerisan PC

August 21, 2023

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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	X None
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es) ?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X None

Federal Awards

Internal control over major programs:		
➢ Material weakness(es) identified:	____ Yes	X None
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es) ?	____ Yes	X 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
84.027	Special Education Cluster
84.425	COVID-19 Elementary and Secondary School Emergency Relief Fund

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

Section III - Federal Award Findings and Question Costs

None

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

There were no audit findings in the prior audit period.