ALLENDALE PUBLIC SCHOOLS

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

YEAR ENDED JUNE 30, 2024

Maner Costerisan

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Allendale Public Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Allendale Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Allendale 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 Allendale Public Schools, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Allendale Public Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2024 on our consideration of Allendale 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 Allendale 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 Allendale Public Schools' internal control over financial reporting and compliance.

Maner Costerisan PC

September 24, 2024

ALLENDALE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

This section of the Allendale Public Schools' (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2024. Please read it in conjunction with the District's financial statements which immediately follow this section.

District-wide Financial Statements

The first two statements are District-wide financial statements that provide short-term and long-term financial information about the District's overall financial status. These statements are required by generally accepted accounting principles (GAAP) as described in the Government Accounting Standards Board (GASB) Statement No. 34. The statements are compiled using the full accrual basis of accounting and more closely represent financial statements presented by business and industry. All of the District's assets, deferred outflow of resources, liabilities, and deferred inflows of resources, both short-term and long-term, are reported. As such, these statements include capital assets, net of related depreciation/amortization, as well as the bonded debt and other long-term obligations of the District resulting in total net position.

Over time, increases or decreases in the District's net position is one indicator of whether its financial position is improving or deteriorating. To assess the District's overall financial health, one should consider additional factors which may include the State's and/or region's economic condition, changes in the District's property tax base, and age and condition of its capital assets.

Fund Financial Statements

For the most part, the fund financial statements are comparable to financial statements for the prior fiscal years. The fund level statements are reported on a modified accrual basis in that only those assets that are deemed "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 formats of the fund statements comply with requirements of the Michigan Department of Education's "Accounting Manual". In the State of Michigan, school districts' major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in various other funds categorized as Special Revenue, Debt Service, and Capital Projects Funds.

In the fund financial statements, capital assets purchased are considered expenditures in the year of acquisition with no asset being reported. The issuance of debt is treated as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. The obligations for future years' debt service are not recorded in the fund financial statements.

Summary of Net Position

The following schedule summarizes the net position for the fiscal years ended June 30, 2024 and 2023:

	2024	2023
ASSETS		
Current and other assets	$ 20,229,365	$ 15,835,332
Net other postemployment benefits asset	953,198	-
Capital assets	80,002,603	82,369,006
TOTAL ASSETS	101,185,166	98,204,338
DEFERRED OUTFLOWS OF RESOURCES	22,283,994	25,552,595
LIABILITIES		
Long-term liabilities outstanding	107,067,939	114,126,792
Net pension liability	53,856,626	60,575,815
Net other postemployment benefit liability	-	3,432,143
Other liabilities	6,397,852	5,122,416
TOTAL LIABILITIES	167,322,417	183,257,166
DEFERRED INFLOWS OF RESOURCES	17,174,147	12,871,129
NET POSITION		
Net investment in capital assets	(23,158,112)	(27,795,973)
Restricted for net other postemployment benefits	953,198	-
Unrestricted	(38,822,490)	(44,575,389)
TOTAL NET POSITION	$ (61,027,404)	$ (72,371,362)

Analysis of Financial Position

During the fiscal year ended June 30, 2024, the District's combined net position increased by $11,343,958. A few of the more significant factors affecting net position during the year are discussed below:

- Cash Equivalents, Deposits, and Investments

  At June 30, 2024, the District's cash equivalents, deposits and investments amounted to $13,166,598. This represented an increase of $3,315,111 from the previous year.

- Capital Outlay Acquisitions

  For the fiscal year ended June 30, 2024, $676,504 of expenditures were capitalized and recorded as assets of the District. These additions to the District's capital assets will be depreciated over time as explained below.

The net effect of the new capital assets, assets disposed of during the fiscal year, and the current year's depreciation is a net decrease to capital assets in the amount of $2,366,403 for the fiscal year ended June 30, 2024.

- Depreciation Expense

  GASB 34 requires school districts to maintain records of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation expense is a reduction in the net position.

- Long-term Obligations

  For the fiscal year ended June 30, 2024, the District's bonded debt (including the School Loan Revolving Fund) decreased by $7,058,853 as a net result of debt issued and payments on bonded debt in the current year.

Results of Operations

For the fiscal years ended June 30, 2024 and 2023, the results of operations, on a District-wide basis, were:

	2024		2023	
	Amount	%	Amount	%
REVENUES				
General revenues				
Property taxes	$ 14,346,719	25.43%	$ 13,261,378	26.34%
State sources, unrestricted	21,995,291	38.98%	17,950,935	35.65%
Investment earnings	744,914	1.32%	388,877	0.77%
Other	186,396	0.33%	202,748	0.40%
Total general revenues	37,273,320	66.06%	31,803,938	63.16%
Program revenues				
Charges for services	886,265	1.57%	1,248,625	2.48%
Operating grants and contributions	18,266,547	32.37%	17,302,164	34.36%
TOTAL REVENUES	56,426,132	100.00%	50,354,727	100.00%
EXPENSES				
Instruction	21,190,368	47.00%	19,982,696	46.52%
Support services	14,535,295	32.24%	13,478,784	31.38%
Community services	698,984	1.55%	889,029	2.07%
Student/school activities	726,273	1.61%	729,379	1.70%
Food services	1,374,805	3.05%	1,198,720	2.79%
Depreciation - unallocated	3,042,457	6.75%	2,971,533	6.92%
Interest on long-term debt	3,513,992	7.79%	3,704,681	8.62%
TOTAL EXPENSES	45,082,174	100.00%	42,954,822	100.00%
Change in net position	$ 11,343,958		$ 7,399,905	

Analysis of Significant Revenues and Expenses

Significant revenues and expenditures are discussed in the segments below:

- Property Taxes

  The District levied 18.000 mills of property taxes for operations on non-principal residence exempt property for the 2023 tax year. According to Michigan law, the tax levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of increase in the prior year's Consumer Price Index or 5%, whichever is less. At the time that property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is one half of the property's market value. At June 30, 2024, there was $0 in unpaid property taxes.

- State Sources

  The majority of the unrestricted state sources of revenues is comprised of the per student foundation allowance. The State of Michigan funds school districts based on a blended student enrollment which is calculated using the 90% of the current fiscal years fall count and 10% of the previous year supplemental count. For the 2023 - 2024 fiscal year, the District received $9,608 per student full time equivalent. The student foundation allowance amount per student increased $458 when compared to the 2022 - 2023 fiscal year.

- Operating Grants

  The District receives a significant portion of its operating revenue from categorical grants. For the fiscal year ended June 30, 2024, federal, state, and other grants amounted to $18,266,547. This represents a 5.57% increase from the $17,302,164 received for the 2022 - 2023 fiscal year.

Comparative Expenditures

A comparison of the expenditures reported on the Statement of Revenues, Expenditures and Changes in Fund Balances is shown below:

	2024	2023	Increase (Decrease)
EXPENDITURES			
Instruction	$ 22,897,247	$ 21,443,024	$ 1,454,223
Supporting services	15,509,528	14,992,354	517,174
Food service activities	1,773,670	1,352,878	420,792
Community service activities	752,058	1,004,134	(252,076)
Student/school activities	726,273	729,379	(3,106)
Capital outlay	630,445	1,484,655	(854,210)
Debt service	9,992,222	18,598,452	(8,606,230)
TOTAL EXPENDITURES	$ 52,281,443	$ 59,604,876	$ (7,323,433)

General Fund Budgetary Highlights

The Uniform Budgeting Act of the State of Michigan requires that the local Board of Education approve the annual operating budget prior to the start of the fiscal year on July 1. Any amendments to the original budget must be approved by the Board prior to the close of the fiscal year on June 30, 2024.

The following schedule shows a comparison of the original general fund budget, the final amended budget, and actual totals from operations for the fiscal year ending June 30, 2024.

	Original Budget	Final Budget	Actual	Final Variance with Budget	% Variance
TOTAL REVENUES	$ 38,806,157	$ 42,610,187	$ 42,747,632	$ 137,445	0.32%
EXPENDITURES					
Instruction	$ 21,612,638	$ 23,233,214	$ 22,897,247	$ 335,967	1.45%
Supporting services	14,587,501	15,610,833	15,509,528	101,305	0.65%
Community services	753,318	776,914	752,058	24,856	3.20%
Debt service	130,000	130,000	136,653	(6,653)	-5.12%
TOTAL EXPENDITURES	$ 37,083,457	$ 39,750,961	$ 39,295,486	$ 455,475	1.15%
Other financing sources (uses)	$ (1,685,253)	$ (1,579,716)	$ (2,059,041)	$ (479,325)	30.34%

The original budget adopted by the Board in June 2023 was amended twice during the year. The amendments, approved in February and June 2024, reflected necessary changes to both revenues and expenditures based on projections made by the Chief Financial Officer.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2023 - 2024 fiscal year, the District had invested approximately $127.5 million as the original cost in a broad range of capital assets, including land, construction in progress, land improvements, school buildings and facilities, school buses and other vehicles, and various types of equipment. This represents a net increase of $586,631 over the prior fiscal year. Depreciation/amortization expense for the year amounted to $3,042,457, bringing the accumulated depreciation/amortization to roughly $47.5 million as of June 30, 2024.

	Cost	Accumulated Depreciation/Amortization	2024 Net Book Value	2023 Net Book Value
Land	$ 2,959,441	$ -	$ 2,959,441	$ 2,959,441
Construction in progress	117,903	-	117,903	22,294
Land improvements	6,659,920	4,627,484	2,032,436	2,229,228
Buildings and improvements	105,341,700	33,003,809	72,337,891	74,541,956
Right to use - subscription-based IT	153,135	49,724	103,411	128,273
Furniture and equipment	8,648,827	7,378,204	1,270,623	1,270,010
Right to use - leased equipment	528,980	348,711	180,269	281,832
Transportation equipment	3,144,713	2,144,084	1,000,629	935,972
	$127,554,619	$ 47,552,016	$ 80,002,603	$ 82,369,006

Long-term Obligations

At June 30, 2024, the District had $107,067,939 in long-term obligations which included $86,724,811 in outstanding bonds and other debt. The bonded and other debt obligations were decreased during the year, as the District continued to pay back outstanding debt during the year. In addition to the bonded debt, the District has obligations due to its participation in the School Loan Revolving Fund in the amount of $19,673,006, compensated absences of $478,487, and a lease liability of $191,635 at the end of the fiscal year.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following items that could significantly affect its financial health in the future:

- The uncertainty of student foundation funding levels, as well as funding for other K-12 education programs, reflects the economic difficulties faced by the State of Michigan and the District. One of the most important factors affecting the District's budget is student count. General Fund revenue is generated from the State's per pupil allowance, and a combination of State aid and property taxes. Under State law, the District cannot assess additional property tax revenue for general operations.

- The district received ESSER (Elementary and Secondary School Emergency Relief) Funds and CRF (Coronavirus Relief Funds) from the Federal Government which helped offset the cost of opening and fully operating the school district for 2020-21 and 2021-22. ESSER II and ESSER III funding was received and spent through 2024 to offset expenses related to COVID-19. These funds have now been fully spent.

- In November, 2018, county voters approved a 0.9 mill enhancement millage where the funds will primarily be used to maintain current academic and extra-curricular offerings, improve mental health and social-emotional learning services district-wide with additional staff, and ongoing upgrades to district safety and security.

- Demographic projections indicate that enrollment is likely to continue growing slowly over the next several years. While this is good news, especially compared to most districts within the State, the lack of stability in the funding stream from the State, and rising costs in many areas including employee health insurance, retirement contribution costs, and utilities, District administration continues to remain diligent in its decision-making as the Board desires to increase its level of reserves (fund balance). Measures to accomplish this include, but are not limited to, cooperative agreements with the Ottawa Area Intermediate School District as well as neighboring public and parochial schools and strategic changes to how the District handles its non-instructional support services.

- In 2007, Allendale voters approved utilizing the School Bond Loan Fund, (a program created by the Michigan Legislature to assist school districts in bonding for new facilities) to construct new school buildings in order to accommodate the District's growing population of students. New legislation passed in December 2012 obligates school districts to annually review their outstanding debt beginning in the fall of 2013 and levy a millage to ensure that the bond debt will be paid within a newly appointed 30-year period. In 2024, for the first time, higher tax revenues have allowed the district to start paying back the balance owed to the School Bond Loan Fund.

- In May, 2017, voters approved a $29.6 million bond proposal focusing on growth, safety and security, educational technology and building and site improvements. These projects have now been completed and the funds have been spent. The District Administration maintains a list of long-range capital projects for repair and replacement of facilities and equipment. Needs include expanding the Early Childhood Center along with various other projects in all building spaces throughout the district.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional information, please contact the Chief Financial Officer at Allendale Public Schools, 10505 Learning Lane, Allendale, MI 49401.

BASIC FINANCIAL STATEMENTS

ALLENDALE PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 7,554,344
Cash and cash equivalents - restricted for capital projects	172,328
Investments	5,439,926
Receivables	
Accounts receivable	2,899
Intergovernmental	6,495,470
Inventories	20,703
Prepaids	543,695
Net other postemployment benefits asset	953,198
Capital assets, not being depreciated	3,077,344
Capital assets, net of accumulated depreciation/amortization	76,925,259
TOTAL ASSETS	101,185,166
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	1,139,251
Related to pensions	17,180,641
Related to OPEB	3,964,102
TOTAL DEFERRED OUTFLOWS OF RESOURCES	22,283,994
LIABILITIES	
Accounts payable	647,659
Accrued salaries and related items	2,468,689
Accrued retirement	1,192,044
Accrued interest	419,243
Unearned revenue	1,670,217
Noncurrent liabilities	
Due within one year	6,642,718
Due in more than one year	100,425,221
Net pension liability	53,856,626
TOTAL LIABILITIES	167,322,417
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	6,116,198
Related to OPEB	7,683,901
Related to state aid funding for pension	3,374,048
TOTAL DEFERRED INFLOWS OF RESOURCES	17,174,147
NET POSITION	
Net investment in capital assets	(23,158,112)
Restricted for net other postemployment benefits	953,198
Unrestricted	(38,822,490)
TOTAL NET POSITION	$ (61,027,404)

See notes to financial statements.

ALLENDALE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	$ 21,190,368	$ 27,990	$ 15,836,352	$ (5,326,026)
Support services	14,535,295	279,569	780,571	(13,475,155)
Community services	698,984	517,692	58,849	(122,443)
Food services	1,374,805	61,014	843,395	(470,396)
Student/school activities	726,273	-	747,380	21,107
Interest on long-term debt	3,513,992	-	-	(3,513,992)
Unallocated depreciation/amortization	3,042,457	-	-	(3,042,457)
Total governmental activities	$ 45,082,174	$ 886,265	$ 18,266,547	(25,929,362)
General revenues				
Property taxes, levied for general purposes				4,837,205
Property taxes, levied for debt service				9,509,514
Investment earnings				744,914
State sources, unrestricted				21,995,291
Other				186,396
Total general revenues				37,273,320
CHANGE IN NET POSITION				11,343,958
NET POSITION, beginning of year				(72,371,362)
NET POSITION, end of year				$ (61,027,404)

See notes to financial statements.

ALLENDALE PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 6,411,266	$ -	$ 1,143,078	$ 7,554,344
Cash and cash equivalents - restricted	-	-	172,328	172,328
Investments	-	5,439,926	-	5,439,926
Receivables				
Accounts receivable	2,899	-	-	2,899
Intergovernmental	6,475,847	-	19,623	6,495,470
Due from other funds	-	684,988	227,894	912,882
Inventories	-	-	20,703	20,703
Prepaids	543,494	-	201	543,695
TOTAL ASSETS	$ 13,433,506	$ 6,124,914	$ 1,583,827	$ 21,142,247
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 587,242	$ 30,917	$ 29,500	$ 647,659
Accrued salaries and related items	2,466,764	-	1,925	2,468,689
Accrued retirement	1,171,598	-	20,446	1,192,044
Due to other funds	718,831	-	194,051	912,882
Unearned revenue	1,653,735	-	16,482	1,670,217
TOTAL LIABILITIES	6,598,170	30,917	262,404	6,891,491

See notes to financial statements.

	General Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES (continued)				
FUND BALANCES				
Nonspendable				
Inventories	$ -	$ -	$ 20,703	$ 20,703
Prepaids	543,494	-	201	543,695
Restricted for:				
Capital projects	-	-	36,377	36,377
Debt service	-	-	139,867	139,867
Food service	-	-	732,792	732,792
Committed for student/school activities	-	-	391,483	391,483
Assigned for capital projects	-	6,093,997	-	6,093,997
Unassigned	6,291,842	-	-	6,291,842
TOTAL FUND BALANCES	6,835,336	6,093,997	1,321,423	14,250,756
TOTAL LIABILITIES AND FUND BALANCES	$ 13,433,506	$ 6,124,914	$ 1,583,827	$ 21,142,247

Total governmental fund balances		$ 14,250,756
Amounts reported for governmental activities in the statement of net position are different because:		
Value of amortized deferred charges	$ 2,197,126	
Accumulated amortization	(1,057,875)	
Deferred charge on refunding, net of amortization		1,139,251
Deferred outflows of resources - related to pensions		17,180,641
Deferred outflows of resources - related to OPEB		3,964,102
Deferred inflows of resources - related to pensions		(6,116,198)
Deferred inflows of resources - related to OPEB		(7,683,901)
Deferred inflows of resources - related to state pension funding		(3,374,048)
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
The cost of the capital assets is	127,554,619	
Accumulated depreciation/amortization is	(47,552,016)	
		80,002,603
Some assets are not current financial resources and therefore are not reported in Governmental Funds Balance Sheet. Noncurrent assets at year-end consist of:		
Net other postemployement benefits asset		953,198
Long-term liabilities are not due and payable in the current period and are not reported in the funds:		
General obligation bonds		(86,724,811)
Direct borrowing and direct placement		(19,864,641)
Compensated absences and termination benefits		(478,487)
Net pension liability		(53,856,626)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid		(419,243)
Net position of governmental activities		$ (61,027,404)

See notes to financial statements.

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

	General Fund	Formally Major 2020 Building and Site Bonds	Capital Projects Fund	Formally Major 2016 Refunding Debt Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Local sources						
Property taxes	$ 4,837,205	$ -	$ -	$ -	$ 9,509,514	$ 14,346,719
Tuition	601,935	-	-	-	-	601,935
Investment earnings	420,104	-	100,299	-	224,511	744,914
Food sales	-	-	-	-	61,014	61,014
Student/school activities	-	-	-	-	747,380	747,380
Other	272,156	-	-	-	-	272,156
Total local sources	6,131,400	-	100,299	-	10,542,419	16,774,118
State sources	30,198,673	-	-	-	1,098,654	31,297,327
Federal sources	2,586,026	-	-	-	843,395	3,429,421
Interdistrict sources and other	3,831,533	-	-	-	-	3,831,533
TOTAL REVENUES	42,747,632	-	100,299	-	12,484,468	55,332,399
EXPENDITURES						
Current						
Instruction	22,897,247	-	-	-	-	22,897,247
Supporting services	15,509,528	-	-	-	-	15,509,528
Community service activities	752,058	-	-	-	-	752,058
Food service activities	-	-	-	-	1,773,670	1,773,670
Student/school activities	-	-	-	-	726,273	726,273
Capital outlay	-	-	303,965	-	326,480	630,445

See notes to financial statements.

	General Fund	Formally Major 2020 Building and Site Bonds	Capital Projects Fund	Formally Major 2016 Refunding Debt Fund	Total Nonmajor Funds	Total Governmental Funds
EXPENDITURES (continued)						
Debt service						
Principal repayment	$ 126,745	$ -	$ -	$ -	$ 7,175,000	$ 7,301,745
Interest	9,908	-	-	-	2,677,558	2,687,466
Other	-	-	-	-	3,011	3,011
TOTAL EXPENDITURES	39,295,486	-	303,965	-	12,681,992	52,281,443
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,452,146	-	(203,666)	-	(197,524)	3,050,956
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets	4,705	-	-	-	-	4,705
Proceeds from leases	20,969	-	-	-	-	20,969
Transfers in	95,000	-	2,179,715	-	-	2,274,715
Transfers out	(2,179,715)	-	-	-	(95,000)	(2,274,715)
TOTAL OTHER FINANCING SOURCES (USES)	(2,059,041)	-	2,179,715	-	(95,000)	25,674
NET CHANGE IN FUND BALANCES	1,393,105	-	1,976,049	-	(292,524)	3,076,630
FUND BALANCES						
Beginning of year, as previously presented	5,442,231	345,801	4,117,948	33,269	1,234,877	11,174,126
Adjustments to beginning fund balances	-	(345,801)	-	(33,269)	379,070	-
Beginning of year, as restated	5,442,231	-	4,117,948	-	1,613,947	11,174,126
End of year	$ 6,835,336	$ -	$ 6,093,997	$ -	$ 1,321,423	$ 14,250,756

See notes to financial statements.

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

Net Change in Fund Balances Total Governmental Funds	$ 3,076,630
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	(3,042,457)
Capital outlay	676,054
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	461,210
Accrued interest payable, end of the year	(419,243)
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 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 in the treatment of long-term debt and related items are as follows:	
Payments on general obligation bonds	6,250,000
Proceeds from lease	(20,969)
Payments on lease	126,745
Payments on school loan revolving fund	925,000
Long-term accrued interest on school loan revolving fund	(868,493)
Amortization of deferred loss on refunding	(129,494)
Amortization of bond premium	640,007
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	485,050
Accrued compensated absences and termination benefits, end of the year	(478,487)
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	(330,885)
OPEB related items	2,925,231
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 for pension, beginning of year	4,442,107
State aid funding for pension, end of year	(3,374,048)
Change in Net Position of Governmental Activities	$ 11,343,958

See notes to financial statements.

ALLENDALE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Allendale Public Schools (the "District") is governed by the Allendale 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 (GASB) Statements.

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 activities of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

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.

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. 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 *Capital Projects Fund* accounts for revenues and expenditures that have been assigned for capital projects and curriculum expenditures throughout the District.

The District reports the following *Other Nonmajor Funds*:

> The *Special Revenue Funds* account for revenue sources that are legally restricted or committed to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service and student/school activities in the special revenue funds.
>
> The *Debt Service Funds* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

Other Nonmajor Funds (continued):

The *2020 Building and Site Fund* accounts for revenues and expenditures that have been restricted for school building and site purposes throughout the District. The fund includes capital project activities funded by bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of section 1351a of the Revised School Code.

Beginning with the year of bond issuance, the school district has reported the annual construction activity in the 2020 Building and Site Fund. The project for which the 2020 Building and Site Bonds were issued was considered complete on June 30, 2023 (June 30 immediately following date of Certificate of Substantial Completion or 95% of proceeds expended).

The following is a summary of the cumulative revenue and expenditures for the 2020 school bonds' activity:

Revenue	$ 7,880,522
Expenditures	$ 7,844,145

The above revenue figures include original 2020 school bond proceeds of $7,773,792.

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 to/from 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

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

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

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

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

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 intergovernmental receivables.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information

Budgetary Basis of Accounting

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

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

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

a. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.

b. Public hearings are conducted to obtain taxpayer comments.

c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.

d. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.

e. The budget was amended during the year with supplemental appropriations, the last one approved prior to year-end June 30, 2024 with more than originally expected revenues and appropriations due to previous uncertainty in state and federal funding when the original budget was adopted. Although the district does consider these amendments to be significant, they were deemed necessary due to considerable uncertainty at the time the original budget was adopted.

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 cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Investments

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

a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.

d. The United States government or federal agency obligations repurchase agreements.

e. Bankers acceptances of United States banks.

f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

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

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated 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 capital assets of the District are depreciated using the straight line method over the following estimated useful lives:

Capital Asset Classes	Lives
Land improvements	10 - 20 years
Buildings and improvements	40 - 50 years
Right to use - subscription-based IT	6 - 7 years
Transportation equipment	5 - 10 years
Right to use - leased equipment	3 - 5 years
Furniture and equipment	3 - 10 years

Defined Benefit Plans

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Outflows

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

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension 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.

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.

In the computation of net invested in capital assets, school loan revolving fund principal proceeds and lease proceeds of $19,864,641 are considered capital-related debt. Accrued interest on the school loan revolving fund of $556,329 is not considered capital related obligations.

During the year ended June 30, 2020, the District issued bonded debt in the amount of $40,570,000 used to make principal and interest payments related to the School Loan Revolving Fund. As of June 30, 2024 the outstanding balance was $37,770,000. Of this amount, 4.5% of these proceeds are not considered capital related debt as this amount was used to pay off accrued interest. The remaining 95.5% allocation of this debt, $36,070,350 is considered capital related debt at June 30, 2024.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Net Position Flow Assumption (continued)

During the year ended June 30, 2021, the District issued bonded debt in the amount of $7,170,000 used to make principal and interest payments related to the School Loan Revolving Fund. As of June 30, 2024 the outstanding balance was $7,170,000. Of this amount, 0.5% of these proceeds are not considered capital related debt as this amount was used to pay off accrued interest. The remaining 99.5% allocation of this debt, $6,537,150 is considered capital related debt at June 30, 2024.

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.

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.

Leases and Subscription-based IT Arrangements (SBITA)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Leases and Subscription-based IT Arrangements (SBITA) (continued)

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

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

- The lease/SBITA term includes the noncancelable period of the lease/subscription. Lease/SBITA payments included in the measurement of the lease/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 lease/SBITA and will remeasure the lease/SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability.

Lease/SBITA assets are reported with other capital assets and lease/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.

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 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 date is September 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses (continued)

Property Taxes (continued)

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

Fund	Mills
General fund	
Non-Principal Residence Exemption (PRE)	18.0000
Commercial Personal Property	6.0000
Debt service fund	
PRE, Non-PRE, Commercial Personal Property	12.0000

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 resignation or retirement. 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, 2024 the District had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2024, $961,022 of the District's bank balance of $1,718,230 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 $1,136,384.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

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)
MILAF External Investment pool - CMC	$ 9,860	N/A
MILAF External Investment pool - MAX	387,294	N/A
Treasury Obligations Funds	8,822,318	0.0849
Michigan Class Investment Pool	2,810,742	0.0822
Total fair value	$ 12,030,214	
Portfolio weighted average maturity		.0815

One day maturity equals 0.0027, one year equals 1.00.

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
MILAF External Investment pool - CMC	$ 9,860	AAAm	Standard & Poor's
MILAF External Investment pool - MAX	387,294	AAAm	Standard & Poor's
Treasury Obligations Funds	8,822,318	AAAm	Standard & Poor's
Michigan Class Investment Pool	2,810,742	AAAm	Standard & Poor's
	$ 12,030,214		

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.

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.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

The District voluntarily invests certain excess funds in external pooled investment funds which included money market funds. The pooled investment funds utilized by the District are the Michigan Investment Liquid Asset Fund (MILAF) and the Treasury Obligations Fund. The 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 - CMC	$ 9,860
MILAF External Investment pool - MAX	387,294
Treasury Obligations Funds	8,822,318
Total	$ 9,219,472

Investments in Entities that Calculate Net Asset Value Per Share

The District holds shares or interests in the Michigan CLASS investment pool 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 invest 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.

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

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan Class Investment Pool	$ 2,810,742	$ -	No restrictions	None

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.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

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

The carrying amount of deposits and investments are as follows:

Deposits	$ 1,136,384
Investments	12,030,214
	$ 13,166,598

The above amounts are reported in the financial statements as follows:

Cash and cash equivalents	$ 7,554,344
Cash and cash equivalents - restricted	172,328
Investments - restricted	5,439,926
	$ 13,166,598

NOTE 3 - CAPITAL ASSETS

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

	Balance July 1, 2023	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2024
Governmental activities				
Capital assets, not being depreciated				
Land	$ 2,959,441	$ -	$ -	$ 2,959,441
Construction in progress	22,294	117,903	22,294	117,903
Total capital assets not being depreciated	2,981,735	117,903	22,294	3,077,344
Capital assets, being depreciated/amortized				
Land improvements	6,659,920	-	-	6,659,920
Buildings and improvements	105,341,700	-	-	105,341,700
Right to use - subscription-based IT	153,135	-	-	153,135
Furniture and equipment	8,468,759	265,291	85,223	8,648,827
Right to use - leased equipment	508,011	20,969	-	528,980
Transportation equipment	2,854,728	294,185	4,200	3,144,713
Total capital assets, being depreciated/amortized	123,986,253	580,445	89,423	124,477,275
Accumulated depreciation/amortization				
Land improvements	4,430,692	196,792	-	4,627,484
Buildings and improvements	30,799,744	2,204,065	-	33,003,809
Right to use - subscription-based IT	24,862	24,862	-	49,724
Furniture and equipment	7,198,749	264,678	85,223	7,378,204
Right to use - leased equipment	226,179	122,532	-	348,711
Transportation equipment	1,918,756	229,528	4,200	2,144,084
Total accumulated depreciation/amortization	44,598,982	3,042,457	89,423	47,552,016
Net capital assets being depreciated/amortized	79,387,271	(2,462,012)	-	76,925,259
Net governmental capital assets	$ 82,369,006	$ (2,344,109)	$ 22,294	$ 80,002,603

NOTE 3 - CAPITAL ASSETS (continued)

Depreciation/amortization expense for the fiscal year ended June 30, 2024 amounted to $3,042,457 and was unallocated.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Receivables at June 30, 2024 consist of the following:

	Governmental Funds
Other governmental units:	
State	$ 5,915,317
Federal	580,153
	$ 6,495,470

Amounts reported in intergovernmental receivables include amounts due from federal, state, and local sources for various projects and programs. No allowance for doubtful accounts is considered necessary.

NOTE 5 - LONG-TERM OBLIGATIONS

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

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

	General Obligation Bonds	Notes from Direct Borrowings and Direct Placements	Accumulated Compensated Absences and Termination Benefits	Total
Balance, July 1, 2023	$ 93,614,818	$ 20,026,924	$ 485,050	$ 114,126,792
Additions	-	889,461	-	889,461
Deletions	(6,890,007)	(1,051,744)	(6,563)	(7,948,314)
Balance, June 30, 2024	86,724,811	19,864,641	478,487	107,067,939
Due in one year	6,480,000	138,794	23,924	6,642,718
Due in more than year	$ 80,244,811	$ 19,725,847	$ 454,563	$ 100,425,221

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Borrowing from the State of Michigan - The school loan revolving fund payable represents notes payable to the State of Michigan for loans made to the school district, as authorized by the State of Michigan Constitution, for the purpose of paying principal and interest on general obligation bonds of the school district issued for capital expenditures. Interest rates are to be annually determined by the State Administrative Board. Interest rates of 4.56% for the School Loan Revolving Fund notes have been assessed for the year ended June 30, 2024. Repayment is required when the millage rate necessary to cover the annual bonded debt services falls below 10.06 mills. The school district is required to levy 8.59 mills and repay to the state any excess of the amount levied over the bonded debt service requirements. The District currently levies 12.00 debt mills. Due to the variability of the factors that affect the timing of repayment, including the future amount of state-equalized value of property in the school district, no provision for repayment has been included in the following amortization schedule. The State may apply a default late charge on the note if the District does not make the repayments, or apply the default late charge if the District fails to levy the appropriate debt mills. The state may also withhold state aid payments if the District is in default.

Long-term obligations at June 30, 2024 are comprised of the following issues:

General Obligation Bonds	
2015 Series A refunding bonds due in one installment of $1,485,000 on November 1, 2024 with interest at 4.00%.	$ 1,485,000
2016 Refunding bonds due in annual and semiannual installments ranging from $100,000 to $2,500,000 through May 1, 2037 with interest from 4.00% to 5.00%.	11,150,000
2017 Bonds due in semiannual installments ranging from $220,000 to $575,000 through May 1, 2047 with interest from 3.00% to 4.00%.	16,825,000
2020 Bonds due in annual and semiannual installments ranging from $100,000 to $680,000 through May 1, 2047 with interest from 2.00% to 5.00%.	6,655,000
2020 Refunding bonds due in semiannual installments ranging from $875,000 to $4,800,000 through May 1, 2033 with interest from 1.70% to 4.00%.	37,770,000
2021 Refunding bonds due in annual installments ranging from $570,000 to $990,000 through May 1, 2032 with interest from 1.80% to 4.00%.	6,570,000
Plus premium on bond refunding	6,269,811
Total general obligation bonds	86,724,811

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Notes from Direct Borrowings and Direct Placements

Borrowing from the State of Michigan under the School Loan Revolving Fund, including interest at 4.56% at June 30, 2024.	$ 19,673,006
Copier lease payable due in monthly installments of $10,654 with interest at 4% through January 1, 2029.	191,635
Total direct borrowings and direct placements	19,864,641
Total general obligation bonds and direct borrowings and direct placements	106,589,452
Accumulated compensated absences and termination benefits	478,487
Total long-term debt obligations	$ 107,067,939

In prior years, the District 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 liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2024, $40,600,000 bonds outstanding are considered defeased.

The annual requirements to amortize debt outstanding as of June 30, 2024:

Year Ending June 30,	General Obligation Bonds		Direct Borrowing and Direct Placement		Compensated Absences and Termination Benefits	Total
	Principal	Interest	Principal	Interest		
2025	$ 6,480,000	$ 2,420,732	$ 138,794	$ 5,160	$ -	$ 9,044,686
2026	6,725,000	2,145,032	41,524	808	-	8,912,364
2027	6,995,000	1,847,557	4,243	375	-	8,847,175
2028	7,205,000	1,590,954	4,415	203	-	8,800,572
2029	7,380,000	1,339,510	2,659	37	-	8,722,206
2030 - 2034	30,270,000	3,930,211	-	-	-	34,200,211
2035 - 2039	5,440,000	2,031,385	-	-	-	7,471,385
2040 - 2044	5,930,000	1,170,666	-	-	-	7,100,666
2045 - 2049	4,030,000	213,931	-	-	-	4,243,931
	80,455,000	16,689,978	191,635	6,583	-	97,343,196
Premium on bonds	6,269,811	-	-	-	-	6,269,811
School loan revolving fund	-	-	19,673,006	-	-	19,673,006
Accumulated compensated absences and termination benefits	-	-	-	-	478,487	478,487
	$ 86,724,811	$ 16,689,978	$ 19,864,641	$ 6,583	$ 478,487	$123,764,500

Interest expense (all funds) for the year ended June 30, 2024 was approximately $3,514,000.

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

The District's outstanding notes from direct borrowings and direct placements related to governmental activities of $19,864,641 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.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

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

	Due from Other Funds		
	Capital Projects Fund	Nonmajor Governmental Funds	Total
Due to other funds			
General fund	$ 684,988	$ 33,843	$ 718,831
Nonmajor Governmental Funds	-	194,051	194,051
Total	$ 684,988	$ 227,894	$ 912,882

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 - INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2024 are as follows:

	Transfers in		
	General Fund	Capital Projects Fund	Total
Transfers out			
General fund	$ -	$ 2,179,715	$ 2,179,715
Nonmajor Governmental Funds	95,000	-	95,000
Total	$ 95,000	$ 2,179,715	$ 2,274,715

During the year, transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

NOTE 8 - 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 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2010

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

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010 and who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013.

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

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

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

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

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

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

NOTE 8 - 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 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

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

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

Member Contributions

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

Employer Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (continued)

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

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

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

The District's pension contributions for the year ended June 30, 2024 were equal to the required contribution total. Total pension contributions were approximately $7,299,000. Of the total pension contributions approximately $6,997,000 was contributed to fund the Defined Benefit Plan and approximately $302,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2024 were equal to the required contribution total. Total OPEB contributions were approximately $1,676,000. Of the total OPEB contributions approximately $1,493,000 was contributed to fund the Defined Benefit Plan and approximately $183,000 was contributed to fund the Defined Contribution Plan.

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

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

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

MPSERS (Plan) Non-University Employers	September 30, 2023	September 30, 2022
Total pension liability	$ 94,947,828,557	$ 95,876,795,620
Plan fiduciary net position	$ 62,581,762,238	$ 58,268,076,344
Net pension liability	$ 32,366,066,319	$ 37,608,719,276
Proportionate share	0.16640%	0.16107%
Net pension liability for the District	$ 53,856,626	$ 60,575,815

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

For the year ended June 30, 2024, the District recognized pension expense of $7,327,839.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 7,297,818	$ 4,207,756
Net difference between projected and actual plan investments earnings	-	1,102,081
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,567,133	723,861
Differences between expected and actual experience	1,700,089	82,500
Reporting Unit's contributions subsequent to the measurement date	6,615,601	-
	$ 17,180,641	$ 6,116,198

$6,615,601, 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	Amount
2024	$ 1,520,121
2025	943,270
2026	2,609,254
2027	(623,803)
	$ 4,448,842

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

MPSERS (Plan) Non-University Employers	September 30, 2023	September 30, 2022
Total OPEB liability	$ 11,223,648,949	$ 12,522,713,324
Plan fiduciary net position	$ 11,789,347,341	$ 10,404,650,683
Net OPEB liability (asset)	$ (565,698,392)	$ 2,118,062,641
Proportionate share	0.16850%	0.16204%
Net OPEB liability (asset) for the District	$ (953,198)	$ 3,432,143

For the year ended June 30, 2024, the District recognized OPEB benefit of $1,432,703.

At June 30, 2024, 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 of assumptions	$ 2,121,985	$ 255,527
Net difference between projected and actual plan investments earnings	2,906	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	492,969	225,521
Differences between expected and actual experience	-	7,202,853
Reporting Unit's contributions subsequent to the measurement date	1,346,242	-
	$ 3,964,102	$ 7,683,901

$1,346,242, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

Year Ended	Amount
2024	$ (1,583,248)
2025	(1,579,558)
2026	(655,625)
2027	(593,869)
2028	(434,342)
2029	(219,399)
	$ (5,066,041)

Actuarial Assumptions

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

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

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

Inflation - 3.0%.

Mortality Assumptions -

Retirees: PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.

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

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

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

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

The Long-Term Expected Rate of Return on Pension and Other Postemployment Benefit Plan Investments - The pension rate was 6.00% (MIP, Basic, Pension Plus Plan, and Pension Plus 2 Plan), and the other postemployment benefit rate was 6.00%, net of investment and administrative expenses determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

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

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

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

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

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

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

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

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

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

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

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	$ 72,760,144	$ 53,856,626	$ 38,118,764

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

	Other Postemployment Benefits		
	1% Decrease	Discount rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	$ 988,180	$ (953,198)	$ (2,621,622)

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

	Other Postemployment Benefits		
	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	$ (2,625,782)	$ (953,198)	$ 857,086

Pension and OPEB Plan Fiduciary Net Position

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

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

NOTE 9 - RISK MANAGEMENT

The District is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District purchases commercial insurance to cover any losses that may result from the above-described activities. No settlements have occurred in excess of coverage for the year ended June 30, 2024.

The District also participates in a pool, the SET-SEG Self-Insured Workers’ Compensation Fund, with other school districts for workers’ compensation losses. The pool is organized under Public Act 317 of 1969, as amended. The District has no liability for additional assessments based on claims filed against the pool nor do they have any rights to dividends.

NOTE 10 - 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.

NOTE 11 - TAX ABATEMENTS

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by cities, villages and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities. The property taxes abated for all funds by municipality under these programs are as follows:

Municipality	Taxes Abated
Allendale Charter Township	$ 37,906

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 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

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

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

a. Management's discussion and analysis (MD&A);
    i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
        1) Overview of the Financial Statements,
        2) Financial Summary,
        3) Detailed Analyses,
        4) Significant Capital Asset and Long-Term Financing Activity,

5) Currently Known Facts, Decisions, or Conditions;

ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;

iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;

b. Unusual or infrequent items;

c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;

i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;

ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;

d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;

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

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

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE

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

Summary: This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. See Note 14 below.

NOTE 14 - ADJUSTMENTS TO BEGINNING FUND BALANCES

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

	Reporting Units Affected by Adjustments to Beginning Balances		
	2020 Building and Site Bonds	2016 Refunding Debt Fund	Nonmajor Governmental Funds
Fund balance, as previously reported	$ 345,801	$ 33,269	$ 1,234,877
Change from major to nonmajor fund	(345,801)	(33,269)	379,070
Fund balance, as restated	$ -	$ -	$ 1,613,947

REQUIRED SUPPLEMENTARY INFORMATION

ALLENDALE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	$ 5,782,858	$ 6,081,976	$ 6,131,400	$ 49,424
State sources	27,441,040	30,304,714	30,198,673	(106,041)
Federal sources	2,102,287	2,658,079	2,586,026	(72,053)
Interdistrict sources and other	3,479,972	3,565,418	3,831,533	266,115
TOTAL REVENUES	38,806,157	42,610,187	42,747,632	137,445
EXPENDITURES				
Current				
Instruction				
Basic programs	18,074,094	19,421,374	19,228,241	193,133
Added needs	3,538,544	3,811,840	3,669,006	142,834
Total instruction	21,612,638	23,233,214	22,897,247	335,967
Supporting services				
Pupil	2,621,700	2,877,260	2,868,642	8,618
Instructional staff	1,311,625	1,424,100	1,338,619	85,481
General administration	605,136	630,816	630,194	622
School administration	2,349,626	2,433,237	2,357,902	75,335
Business	402,874	421,504	427,806	(6,302)
Operation/maintenance	4,058,723	4,420,775	4,527,313	(106,538)
Pupil transportation	1,866,769	1,895,986	1,850,277	45,709
Central	579,540	717,778	720,603	(2,825)
Athletics	791,508	789,377	788,172	1,205
Total supporting services	14,587,501	15,610,833	15,509,528	101,305
Community services	753,318	776,914	752,058	24,856
Debt service	130,000	130,000	136,653	(6,653)
TOTAL EXPENDITURES	37,083,457	39,750,961	39,295,486	455,475
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,722,700	2,859,226	3,452,146	592,920
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	4,705	4,705
Proceeds from leases	-	-	20,969	20,969
Transfers in	30,000	-	95,000	95,000
Transfers out	(1,715,253)	(1,579,716)	(2,179,715)	(599,999)
TOTAL OTHER FINANCING SOURCES (USES)	(1,685,253)	(1,579,716)	(2,059,041)	(479,325)
NET CHANGE IN FUND BALANCE	$ 37,447	$ 1,279,510	1,393,105	$ 113,595
FUND BALANCE				
Beginning of year			5,442,231	
End of year			$ 6,835,336	

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.16640%	0.16107%	0.16499%	0.16412%	0.15713%	0.15243%	0.15425%	0.15307%	0.14807%	0.14331%
Reporting Unit's proportionate share of net pension liability	$ 53,856,626	$ 60,575,815	$ 39,061,025	$ 56,377,404	$ 52,035,342	$ 45,824,205	$ 39,972,681	$ 38,189,278	$ 36,166,670	$ 31,565,164
Reporting Unit's covered-employee payroll	$ 16,937,677	$ 15,892,664	$ 14,924,949	$ 14,855,182	$ 14,191,498	$ 12,928,533	$ 12,914,495	$ 13,171,498	$ 12,436,932	$ 12,058,395
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	317.97%	381.16%	261.72%	379.51%	366.67%	352.81%	309.52%	289.94%	290.80%	261.77%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 6,996,954	$ 7,538,545	$ 5,387,494	$ 4,832,649	$ 4,456,897	$ 4,090,647	$ 4,028,037	$ 3,619,689	$ 3,290,936	$ 2,633,774
Contributions in relation to statutorily required contributions	6,996,954	7,538,545	5,387,494	4,832,649	4,456,897	4,090,647	4,028,037	3,619,689	3,290,936	2,633,774
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 18,009,732	$ 17,417,738	$ 15,719,699	$ 14,565,238	$ 14,953,018	$ 13,851,589	$ 12,834,521	$ 12,937,427	$ 12,578,027	$ 12,228,987
Contributions as a percentage of covered-employee payroll	38.85%	43.28%	34.27%	33.18%	29.81%	29.53%	31.38%	27.98%	26.16%	21.54%

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

	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability/asset (%)	0.16850%	0.16204%	0.16419%	0.16688%	0.16215%	0.15183%	0.15473%
Reporting unit's proportionate share of net OPEB liability (asset)	$ (953,198)	$ 3,432,143	$ 2,506,144	$ 8,940,275	$ 11,638,846	$ 12,069,060	$ 13,702,435
Reporting unit's covered-employee payroll	$ 16,937,677	$ 15,892,664	$ 14,924,949	$ 14,855,182	$ 14,191,498	$ 12,928,533	$ 12,914,495
Reporting unit's proportionate share of net OPEB liability/asset as a percentage of its covered-employee payroll	-5.63%	21.60%	16.79%	60.18%	82.01%	93.35%	106.10%
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

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

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

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	$ 1,492,528	$ 1,371,995	$ 1,285,702	$ 1,259,954	$ 1,260,884	$ 1,151,545	$ 1,133,496
Contributions in relation to statutorily required contributions	1,492,528	1,371,995	1,285,702	1,259,954	1,260,884	1,151,545	1,133,496
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 18,009,732	$ 17,417,738	$ 15,719,699	$ 14,565,238	$ 14,953,018	$ 13,851,589	$ 12,834,521
Contributions as a percentage of covered-employee payroll	8.29%	7.88%	8.18%	8.65%	8.43%	8.31%	8.83%

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.

ALLENDALE PUBLIC SCHOOLS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

NOTE 1 - PENSION INFORMATION

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

Changes of Assumptions - the assumption changes for 2023 were:

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

NOTE 2 - OPEB INFORMATION

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

Changes of Assumptions - the assumption changes for 2023 were:

- Healthcare cost trend rate
    - Pre 65 decreased to 7.50% for year one graded to 3.50% for year fifteen from 7.75% for year one graded to 3.50% for year fifteen.
    - Post 65 increased to 6.25% for year one and graded to 3.5% for year fifteen from 5.25% for year one and graded to 3.5% for year fifteen.

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

ADDITIONAL SUPPLEMENTARY INFORMATION

ALLENDALE PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2024

	Special Revenue				
	Food Service	Student/ School Activities	2020 Building and Site Bond	Debt Service	Total Nonmajor Funds
ASSETS					
Cash and cash equivalents	$ 538,013	$ 465,198	$ -	$ 139,867	$ 1,143,078
Cash and cash equivalents - restricted	-	-	172,328	-	172,328
Intergovernmental receivable	19,623	-	-	-	19,623
Due from other funds	227,894	-	-	-	227,894
Inventories	20,703	-	-	-	20,703
Prepaids	201	-	-	-	201
TOTAL ASSETS	$ 806,434	$ 465,198	$ 172,328	$ 139,867	$ 1,583,827
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 13,885	$ 15,615	$ -	$ -	$ 29,500
Accrued salaries and related payable	1,925	-	-	-	1,925
Accrued retirement	20,446	-	-	-	20,446
Due to other funds	-	58,100	135,951	-	194,051
Unearned revenue	16,482	-	-	-	16,482
TOTAL LIABILITIES	52,738	73,715	135,951	-	262,404
FUND BALANCES					
Nonspendable					
Inventories	20,703	-	-	-	20,703
Prepaids	201	-	-	-	201
Restricted for:					
Debt service	-	-	-	139,867	139,867
Capital projects	-	-	36,377	-	36,377
Food service	732,792	-	-	-	732,792
Committed for student/school activities	-	391,483	-	-	391,483
TOTAL FUND BALANCES	753,696	391,483	36,377	139,867	1,321,423
TOTAL LIABILITIES AND FUND BALANCES	$ 806,434	$ 465,198	$ 172,328	$ 139,867	$ 1,583,827

ALLENDALE PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2024

	Special Revenue				
	Food Service	Student/ School Activities	2020 Building and Site Bonds	Debt Service	Total Nonmajor Funds
REVENUES					
Local sources					
Property taxes	$ -	$ -	$ -	$ 9,509,514	$ 9,509,514
Investment earnings	28,299	-	17,056	179,156	224,511
Food sales	61,014	-	-	-	61,014
Student/school activities	-	747,380	-	-	747,380
Total local sources	89,313	747,380	17,056	9,688,670	10,542,419
State sources	926,110	-	-	172,544	1,098,654
Federal sources	843,395	-	-	-	843,395
TOTAL REVENUES	1,858,818	747,380	17,056	9,861,214	12,484,468
EXPENDITURES					
Current					
Student/school activities	-	726,273	-	-	726,273
Salaries	425,613	-	-	-	425,613
Benefits	244,447	-	-	-	244,447
Purchased services	29,298	-	-	-	29,298
Supplies and materials	725,390	-	-	-	725,390
Capital outlay	339,604	-	326,480	-	666,084
Outgoing transfers and other transactions	9,318	-	-	-	9,318
Debt service					
Principal repayment	-	-	-	7,175,000	7,175,000
Interest expense	-	-	-	2,677,558	2,677,558
Other expense	-	-	-	3,011	3,011
TOTAL EXPENDITURES	1,773,670	726,273	326,480	9,855,569	12,681,992
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	85,148	21,107	(309,424)	5,645	(197,524)
TOTAL OTHER FINANCING (USES)					
Transfers out	(95,000)	-	-	-	(95,000)
NET CHANGE IN FUND BALANCES	(9,852)	21,107	(309,424)	5,645	(292,524)
FUND BALANCES					
Fund balances, as previously presented	763,548	370,376	-	100,953	1,234,877
Adjustments to beginning fund balances	-	-	345,801	33,269	379,070
Beginning of year, as restated	763,548	370,376	345,801	134,222	1,613,947
End of year	$ 753,696	$ 391,483	$ 36,377	$ 139,867	$ 1,321,423

ALLENDALE PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024

	2015 (A) Refunding	2016 Refunding	2017	2020 Refunding	2020	2021 Refunding	Total
ASSETS							
Cash and cash equivalents	$ 24,676	$ 23,074	$ 28,928	$ 25,859	$ 14,435	$ 22,895	$ 139,867
FUND BALANCES							
Restricted for debt service	$ 24,676	$ 23,074	$ 28,928	$ 25,859	$ 14,435	$ 22,895	$ 139,867

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

	2015 (A) Refunding	2016 Refunding	2017	2020 Refunding	2020	2021 Refunding	Total
REVENUES							
Local sources							
Property taxes	$ 1,603,105	$ 1,263,524	$ 1,101,799	$ 4,259,377	$ 376,083	$ 905,626	$ 9,509,514
Investment earnings	32,693	23,524	19,962	77,440	7,306	18,231	179,156
Total local revenues	1,635,798	1,287,048	1,121,761	4,336,817	383,389	923,857	9,688,670
State sources	38,253	27,607	-	86,272	-	20,412	172,544
TOTAL REVENUES	1,674,051	1,314,655	1,121,761	4,423,089	383,389	944,269	9,861,214
EXPENDITURES							
Principal repayments	1,584,371	772,350	530,000	3,395,086	180,000	713,193	7,175,000
Interest expense	90,200	552,000	580,269	1,021,573	207,256	226,260	2,677,558
Other	500	500	500	509	501	501	3,011
TOTAL EXPENDITURES	1,675,071	1,324,850	1,110,769	4,417,168	387,757	939,954	9,855,569
NET CHANGE IN FUND BALANCES	(1,020)	(10,195)	10,992	5,921	(4,368)	4,315	5,645
FUND BALANCES							
Fund balances, as previously presented	25,696	-	17,936	19,938	18,803	18,580	100,953
Adjustments to beginning fund balances	-	33,269	-	-	-	-	33,269
Beginning of year, as restated	25,696	33,269	17,936	19,938	18,803	18,580	134,222
End of year	$ 24,676	$ 23,074	$ 28,928	$ 25,859	$ 14,435	$ 22,895	$ 139,867

ALLENDALE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2024

2015 Series A Refunding Bonds

Fiscal Year	Interest Rate	Principal Due November 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2025	4.00%	$ 1,485,000	$ -	$ 29,700	$ 1,514,700
Total 2015 Series A bonded debt		$ 1,485,000	$ -	$ 29,700	$ 1,514,700

The above bonds dated August 13, 2015 were issued for the purpose of refunding portions of the School District's outstanding 2005 School building and site bonds.

ALLENDALE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2024

2016 Refunding Bonds

Fiscal Year	Interest Rate May 1	Interest Rate November 1	Principal Due May 1	Principal Due November 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2025		4.00%	$ -	$ 400,000	$ 262,000	$ 270,000	$ 932,000
2026		5.00%	-	2,200,000	207,000	262,000	2,669,000
2027		5.00%	-	2,300,000	149,500	207,000	2,656,500
2028		5.00%	-	2,400,000	89,500	149,500	2,639,000
2029		5.00%	-	2,500,000	27,000	89,500	2,616,500
2030		4.00%	-	650,000	14,000	27,000	691,000
2031		4.00%	-	100,000	12,000	14,000	126,000
2032		4.00%	-	100,000	10,000	12,000	122,000
2033		4.00%	-	100,000	8,000	10,000	118,000
2034		4.00%	-	100,000	6,000	8,000	114,000
2035		4.00%	-	100,000	4,000	6,000	110,000
2036		4.00%	-	100,000	2,000	4,000	106,000
2037	4.00%		100,000	-	2,000	2,000	104,000
Total 2016 bonded debt			$ 100,000	$ 11,050,000	$ 793,000	$ 1,061,000	$ 13,004,000

The above bonds dated February 3, 2016 were issued for the purpose of refunding portions of the School District's outstanding 2006 Refunding bonds and portions of the School District's outstanding 2007 Series A school building and site bonds.

ALLENDALE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2024

2017 Building and site bonds

	Interest Rate		Principal Due		Interest Due		
Fiscal Year	May 1	November 1	May 1	November 1	May 1	November 1	Total Due Annually
2025	4.00%	4.00%	$ 220,000	$ 320,000	$ 276,335	$ 282,734	$ 1,099,069
2026	4.00%	4.00%	235,000	320,000	265,535	271,934	1,092,469
2027	4.00%	4.00%	255,000	320,000	254,435	260,834	1,090,269
2028	4.00%	4.00%	275,000	320,000	242,934	249,334	1,087,268
2029	3.00%	3.00%	295,000	320,000	231,034	237,434	1,083,468
2030	3.00%	3.00%	300,000	335,000	221,584	226,609	1,083,193
2031	3.00%	3.00%	320,000	335,000	212,059	217,084	1,084,143
2032	3.00%	3.00%	335,000	340,000	202,159	207,259	1,084,418
2033	3.00%	3.00%	340,000	355,000	191,809	197,134	1,083,943
2034	3.00%	3.00%	360,000	355,000	181,384	186,709	1,083,093
2035	3.13%	3.13%	385,000	355,000	170,659	175,984	1,086,643
2036	3.13%	3.13%	410,000	355,000	159,097	164,644	1,088,741
2037	3.25%	3.25%	435,000	355,000	147,144	152,691	1,089,835
2038	3.25%	3.25%	455,000	355,000	134,306	140,075	1,084,381
2039	3.25%	3.25%	485,000	355,000	121,144	126,913	1,088,057
2040	3.25%	3.25%	515,000	355,000	107,494	113,263	1,090,757
2041	3.38%	3.38%	545,000	355,000	93,356	99,125	1,092,481
2042	3.38%	3.38%	575,000	355,000	78,169	84,159	1,092,328
2043	3.50%	3.50%	505,000	355,000	62,475	68,466	990,941
2044	3.50%	3.50%	535,000	355,000	47,425	53,638	991,063
2045	3.50%	3.50%	550,000	355,000	31,850	38,063	974,913
2046	3.50%	3.50%	310,000	355,000	16,013	22,225	703,238
2047	3.50%	3.50%	305,000	300,000	5,338	10,588	620,926
Total 2017 bonded debt			$ 8,945,000	$ 7,880,000	$ 3,453,738	$ 3,586,899	$ 23,865,637

The above bonds dated June 29, 2017 were issued for school building and site purposes.

ALLENDALE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2024

2020 Building and Site Bonds

	Interest Rate		Principal Due		Interest Due		
Fiscal Year	May 1	November 1	May 1	November 1	May 1	November 1	Total Due Annually
2025		5.00%	$ -	$ 185,000	$ 96,753	$ 101,378	$ 383,131
2026		5.00%	-	195,000	91,878	96,753	383,631
2027		5.00%	-	200,000	86,878	91,878	378,756
2028		5.00%	-	205,000	81,753	86,878	373,631
2029		5.00%	-	215,000	76,378	81,753	373,131
2030		5.00%	-	215,000	71,003	76,378	362,381
2031		2.00%	-	220,000	65,503	71,003	356,506
2032		2.00%	-	225,000	63,253	65,503	353,756
2033		2.13%	-	230,000	60,953	63,253	354,206
2034		2.13%	-	235,000	58,456	60,953	354,409
2035		2.25%	-	235,000	55,959	58,456	349,415
2036		2.25%	-	235,000	53,316	55,959	344,275
2037		2.38%	-	235,000	50,672	53,316	338,988
2038		2.38%	-	245,000	47,763	50,672	343,435
2039		2.50%	-	245,000	44,853	47,763	337,616
2040		2.50%	-	245,000	41,791	44,853	331,644
2041		2.63%	-	250,000	38,666	41,791	330,457
2042		2.63%	-	255,000	35,319	38,666	328,985
2043		2.75%	-	360,000	30,594	35,319	425,913
2044		2.75%	-	370,000	25,506	30,594	426,100
2045		2.75%	-	395,000	20,075	25,506	440,581
2046	2.75%	2.75%	100,000	580,000	12,100	20,075	712,175
2047	2.75%	2.75%	100,000	680,000	1,375	10,725	792,100
Total 2020 bonded debt			$ 200,000	$ 6,455,000	$ 1,210,797	$ 1,309,425	$ 9,175,222

The above bonds dated June 11, 2020 were issued for school building and site purposes.

ALLENDALE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2024

2020 Refunding Bonds

Fiscal Year	Interest Rate May 1	Interest Rate November 1	Principal Due May 1	Principal Due November 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2025	4.00%	4.00%	$ 1,000,000	$ 2,300,000	$ 426,786	$ 472,786	$ 4,199,572
2026	4.00%	4.00%	1,000,000	2,155,000	363,686	406,786	3,925,472
2027	1.65%	4.00%	1,000,000	2,250,000	298,686	343,686	3,892,372
2028	1.90%	1.70%	1,000,000	2,080,000	272,756	290,436	3,643,192
2029	2.00%	1.95%	1,000,000	2,150,000	242,294	263,256	3,655,550
2030	2.05%	2.00%	1,000,000	4,150,000	190,794	232,294	5,573,088
2031	2.15%	2.15%	1,000,000	4,700,000	132,369	180,544	6,012,913
2032	2.25%	2.15%	1,000,000	4,800,000	70,019	121,619	5,991,638
2033	2.35%	2.25%	875,000	4,310,000	10,282	58,770	5,254,052
Total 2020 bonded debt			$ 8,875,000	$ 28,895,000	$ 2,007,672	$ 2,370,177	$ 42,147,849

The above bonds dated June 11, 2020 were issued for the purpose of refunding portions of the School District's outstanding School Bond Loan Fund.

ALLENDALE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2024

2021 Refunding Bonds

Fiscal Year	Interest Rate May 1	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2025	4.00%	$ 570,000	$ 101,130	$ 101,130	$ 772,260
2026	4.00%	620,000	89,730	89,730	799,460
2027	4.00%	670,000	77,330	77,330	824,660
2028	4.00%	925,000	63,930	63,930	1,052,860
2029	4.00%	900,000	45,430	45,430	990,860
2030	1.80%	925,000	27,430	27,430	979,860
2031	1.90%	990,000	19,105	19,105	1,028,210
2032	2.00%	970,000	9,700	9,700	989,400
Total 2021 bonded debt		$ 6,570,000	$ 433,785	$ 433,785	$ 7,437,570

The above bonds dated June 24, 2021 were issued for the purpose of refunding portions of the School District's outstanding School Bond Loan Fund.

ALLENDALE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued Revenue July 1, 2023	(Memo only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued Revenue June 30, 2024
U.S. Department of Agriculture									
Passed through Michigan Department of Education									
Child Nutrition Cluster									
Non-Cash Assistance (Donated Foods)									
National School Lunch Program									
Entitlement	10.555	N/A	$ 100,030	$ -	$ -	$ -	$ 100,030	$ 100,030	$ -
Bonus		N/A	2,940	-	-	-	2,940	2,940	-
Total Non-Cash Assistance			102,970	-	-	-	102,970	102,970	-
Cash Assistance									
National School Lunch Program									
National School Lunch Program	10.555	231960	492,735	14,214	429,376	-	63,359	77,573	-
National School Lunch Program		241960	430,184	-	-	-	430,184	430,184	-
COVID-19 Supply Chain Assistance		230910	28,275	(9,704)	18,571	-	9,704	-	-
COVID-19 Supply Chain Assistance		240910	68,384	-	-	-	68,384	68,384	-
Total ALN 10.555			1,122,548	4,510	447,947	-	674,601	679,111	-
School Breakfast Program	10.553	231970	142,147	5,691	124,053	-	18,094	23,785	-
School Breakfast Program		241970	135,651	-	-	-	135,651	135,651	-
Total ALN 10.553			277,798	5,691	124,053	-	153,745	159,436	-
Special Milk Program for Children	10.556	231940	156	6	135	-	21	27	-
Special Milk Program for Children		241940	193	-	-	-	193	193	-
Total ALN 10.556			349	6	135	-	214	220	-
Total Cash Assistance			1,297,725	10,207	572,135	-	725,590	735,797	-
Total Child Nutrition Cluster			1,400,695	10,207	572,135	-	828,560	838,767	-
Local Food for Schools Cooperative Agreement Program	10.185	230985	9,331	-	-	-	9,331	9,331	-
Child and Adult Care Food Program	10.558	231920	3,785	-	3,385	-	400	400	-
Child and Adult Care Food Program		241920	5,104	-	-	-	5,104	5,104	-
Total ALN 10.558			8,889	-	3,385	-	5,504	5,504	-
Total U.S. Department of Agriculture			1,418,915	10,207	575,520	-	843,395	853,602	-

The accompanying notes are an integral part of this schedule.

ALLENDALE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued Revenue July 1, 2023	(Memo only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued Revenue June 30, 2024
U.S. Department of Education									
Passed through Michigan Department of Education									
Title I Grants to Local Educational Agencies	84.010	231530-2223	$ 157,559	$ 49,395	$ 153,151	$ -	$ -	$ 49,395	$ -
Title I Grants to Local Educational Agencies		241530-2324	200,480	-	-	-	193,808	120,000	73,808
Total ALN 84.010			358,039	49,395	153,151	-	193,808	169,395.00	73,808
Title IIA, Supporting Effective Instruction State Grants	84.367	240520-2324	49,254	-	-	-	40,183	40,000	183
Title IV, Student Support and Academic Achievement Program	84.424	240750-2324	12,026	-	-	-	12,026	5,800	6,226
Education Stabilization Fund									
COVID-19 Elementary and Secondary School									
Emergency Relief Fund (ESSER II Supplemental)	84.425D	213712	452,522	41,347	452,522	-	-	41,347	-
Emergency Relief Fund (ESSER II 98c Learning Loss)		213782	136,751	19,033	128,633	-	8,118	27,151	-
Total ALN 84.425D			589,273	60,380	581,155	-	8,118	68,498	-
COVID-19 Elementary and Secondary School									
Emergency Relief Fund (ESSER III 11t)	84.425U	213723	1,947,698	277,857	977,858	-	962,513	1,067,000	173,370
Emergency Relief Fund (ESSER III ARP)		213713	1,017,021	52,470	572,078	-	444,943	352,470	144,943
Total ALN 84.425U			2,964,719	330,327	1,549,936	-	1,407,456	1,419,470	318,313
Total Education Stablization Fund			3,553,992	390,707	2,131,091	-	1,415,574	1,487,968	318,313
Title III, English Language Acquisition State Grants	84.365	240570-2324	2,626	-	-	-	378	-	378
Passed through Kent ISD									
Title III, English Language Acquisition State Grants	84.365	230580-2223	13,592	-	2,278	-	4,634	4,634	-
Title III, English Language Acquisition State Grants		240580-2324	15,036	-	-	-	575	400	175
Total ALN 84.365			31,254	-	2,278	-	5,587	5,034	553
Passed through Ottawa Area Intermediate School District									
Special Education Cluster									
Special Education Grants to States	84.027	230450-2223	619,189	112,411	619,189	-	-	112,411	-
Special Education Grants to States		240450-2324	733,570	-	-	-	733,570	619,695	113,875
						-			-
Total ALN 84.027			1,352,759	112,411	619,189	-	733,570	732,106	113,875
Special Education Preschool Grants	84.173	240460-2324	23,837	-	-	-	23,837	17,430	6,407
Total Special Education Cluster			1,376,596	112,411	619,189	-	757,407	749,536	120,282
MV ARP Homeless II	84.425W	211012-2122	20,700	846	8,585	-	12,115	10,218	2,743
Education for Homeless Children and Youth	84.196	N/A	1,550	-	-	-	1,550	1,550	-
Total passed through Ottawa Area Intermediate School District			1,398,846	113,257	627,774	-	771,072	761,304	123,025
Total U.S. Department of Education			5,403,411	553,359	2,914,294	-	2,438,250	2,469,501	522,108

The accompanying notes are an integral part of this schedule.

ALLENDALE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued Revenue July 1, 2023	(Memo only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued Revenue June 30, 2024
U.S. Department of Health and Human Services									
Passed through Michigan Department of Community Health									
Medical Assistance Program - Medicaid Cluster	93.778	N/A	$ 5,731	$ -	$ -	$ -	$ 5,731	$ 5,731	$ -
Passed through Ottawa County									
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	232810-HRA2023	224,000	10,035	224,000	-	-	10,035	-
		242810-HRA2024	268,000	-	-	-	142,045	84,000	58,045
Total ALN 93.323			492,000	10,035	224,000	-	142,045	94,035	58,045
Total U.S. Department of Health and Human Services			497,731	10,035	224,000	-	147,776	99,766	58,045
TOTAL FEDERAL AWARDS			$ 7,320,057	$ 573,601	$ 3,713,814	$ -	$ 3,429,421	$ 3,422,869	$ 580,153

The accompanying notes are an integral part of this schedule.

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

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Allendale Public Schools under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Allendale Public Schools, it is not intended to and does not present the financial position or changes in net position of Allendale 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 reported 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 entity identifying numbers are presented where available. Allendale Public Schools has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - RECONCILIATION OF FEDERAL PROGRAMS FROM MULTIPLE FUNDING SOURCES

Education stabilization funds reported in the schedule of expenditures of federal awards are reported from the following sources for the year ended June 30, 2024:

U.S. Department of Education	
Passed through Michigan Department of Education	$ 1,415,574
Passed through Ottawa Area Intermediate School District	12,115
	$ 1,427,689

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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 of
Allendale 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 Allendale Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Allendale Public Schools' basic financial statements, and have issued our report thereon dated September 24, 2024.

Report on Internal Control Over Financial Reporting

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

September 24, 2024

Maner Costerisan

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

To the Board of Education of
Allendale Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Allendale 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 Allendale 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 Allendale 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 Allendale 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 Allendale 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 Allendale 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 Allendale 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 Allendale 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

September 24, 2024

ALLENDALE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:	*Unmodified*		
Internal control over financial reporting:			
➢ Material weakness(es) identified?	____ Yes	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 programs:	*Unmodified*		
Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?	____ Yes	X	No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster (IDEA)

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

ALLENDALE PUBLIC SCHOOLS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024

There were no audit findings in the prior year.