

Edwardsburg
Public Schools



Year Ended
June 30, 2024

Financial
Statements

Rehmann

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EDWARDSBURG PUBLIC SCHOOLS

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INDEPENDENT AUDITORS' REPORT

October 23, 2024

Board of Education
Edwardsburg Public Schools
Edwardsburg, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of **Edwardsburg Public Schools** (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and the budgetary comparison for the general fund 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 (GAAS) 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 Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' 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 auditors' 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefit plans, as listed 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 the District's basic financial statements. The combining and individual fund financial statements and schedules 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 were derived from and relate 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 combining and individual fund financial statements and schedules 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, under separate cover, our report dated October 23, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rehmann Johnson LLC". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

EDWARDSBURG PUBLIC SCHOOLS

Management's Discussion and Analysis

As management of Edwardsburg Public Schools (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

· Total net position (deficit)	\$ (10,654,457)
· Change in total net position	8,299,929
· Fund balances, governmental funds	12,129,303
· Change in fund balances, governmental funds	1,817,088
· Unassigned fund balance, general fund	9,992,505
· Change in fund balance, general fund	2,017,784
· General obligation bonds outstanding	4,808,549
· Change in general obligation bonds	(1,793,871)
· Capital assets, net	20,652,357

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements, including management's discussion and analysis, schedules for the pension and other postemployment benefit plans, and combining and individual fund statements and schedules.

Government-wide Financial Statements

The government-wide financial statements are full accrual basis statements that provide information about the District's overall financial status. They are used to help determine whether or not the District is better off, or worse off, as the result of the year's activities. The *Statement of Net Position* reports all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both short-term and long-term, whether they are "currently available" or not. Capital assets and long-term obligations of the District are reported in this statement. All of the current year's revenues and expenses are accounted for in the *Statement of Activities*, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases or decreases in net position are an indicator of whether the District's financial position is improving or deteriorating.

EDWARDSBURG PUBLIC SCHOOLS

Management's Discussion and Analysis

- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base, the quality of the education provided, and the condition of the District's buildings.

In government-wide statements, the District's activities are classified as *governmental activities*. This includes all of the District's basic instruction and supporting services, such as regular and special education, community services, student/school activities, athletics, and food service. Property taxes and state aid finance most of these services.

Fund Financial Statements

The fund financial statements focus on individual parts of the District, while reporting the District's operations in more detail than the District-wide statements. The fund level statements are reported on a *modified accrual basis*. Only those assets that are "*measurable*" and "*currently available*" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

Fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual." In the State of Michigan, the District's major instructional and instructional support activities are reported in the *general fund*. Additional activities are reported in their relevant funds including: *special revenue funds* for food service, bookstore, and student/school activity, *debt service funds*, and a *capital project fund*.

In fund financial statements, capital asset purchases are reported as expenditures in the year of acquisition, not as capital assets. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future year's debt obligations are not recorded.

The District adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to this management's discussion and analysis and the schedules for the Michigan Public School Employees' Retirement System (MPSERS) pension and other postemployment benefit plan immediately following the notes to the financial statements. The combining and individual fund financial statements and schedules referred to earlier are presented immediately following the required supplementary information.

EDWARDSBURG PUBLIC SCHOOLS

Management's Discussion and Analysis

Financial Analysis of the District as a Whole

The net position of the District at June 30, 2024 was as follows:

	Net Position	
	2024	2023
Assets		
Current and other assets	\$ 16,447,208	\$ 13,624,256
Capital assets, net	20,652,357	19,830,364
Total assets	<u>37,099,565</u>	<u>33,454,620</u>
Deferred outflows of resources	<u>15,124,422</u>	<u>18,263,306</u>
Liabilities		
Other liabilities	3,593,417	5,259,913
Long-term liabilities	47,877,210	58,934,905
Total liabilities	<u>51,470,627</u>	<u>64,194,818</u>
Deferred inflows of resources	<u>11,407,817</u>	<u>6,477,494</u>
Net position		
Net investment in capital assets	15,674,915	12,861,023
Restricted	2,628,367	2,279,518
Unrestricted (deficit)	(28,957,739)	(34,094,927)
Total net position	<u>\$ (10,654,457)</u>	<u>\$ (18,954,386)</u>

The largest portion of the District's net position reflects investment in capital assets (e.g., land, construction in progress, buildings and improvements, and building furnishings and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining net position, with the exception of the amount specifically restricted for food service operations, debt service, capital projects, and other postemployment benefits, represents the unrestricted portion of the District's net position. Because of the requirement to present the District's proportionate share of the MPSERS net pension liability, this unrestricted net position is a deficit.

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District reported a deficit net position of \$10,654,457 at June 30, 2024.

EDWARDSBURG PUBLIC SCHOOLS

Management's Discussion and Analysis

The net position of the District increased by \$8,299,929 during the 2024 fiscal year. The table below shows the breakdown of this change. The Statement of Activities, presented later in the government-wide financial statements, provides greater detail on the District's annual activity. The cost of the District's governmental activities for the year was \$29.4 million. However, \$22.2 million was funded from State of Michigan as grants and contributions. The amount that the District's taxpayers ultimately financed for these activities was \$4.3 million. \$0.6 million of the cost was paid for by those who benefited from the programs, and \$10.0 million was paid for by other governments and organizations who subsidized certain programs with grants and contributions.

	Change in Net Position	
	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ 611,586	\$ 653,898
Operating grants and contributions	9,952,695	8,818,017
General revenues:		
Property taxes	4,258,407	4,122,924
Grants and contributions not restricted to specific programs	22,230,195	21,278,925
Interest earnings	293,050	133,242
Other revenues	373,741	483,726
Total revenues	<u>37,719,674</u>	<u>35,490,732</u>
Expenses		
Instruction	14,989,271	16,869,472
Supporting services	9,417,385	10,242,971
Community services	20,792	20,713
Food services	1,797,279	1,352,564
Student/school activity	303,023	262,488
Athletics	938,376	806,648
Payments to other districts	290,916	298,166
Interest on long-term debt	193,007	138,822
Unallocated depreciation/amortization	1,469,696	1,412,405
Total expenses	<u>29,419,745</u>	<u>31,404,249</u>
Change in net position	8,299,929	4,086,483
Net position, beginning of year	<u>(18,954,386)</u>	<u>(23,040,869)</u>
Net position, end of year	<u>\$ (10,654,457)</u>	<u>\$ (18,954,386)</u>

EDWARDSBURG PUBLIC SCHOOLS

Management's Discussion and Analysis

Governmental Activities. Net position increased by \$8,299,929 compared to an increase of \$4,086,483 in the prior year. The main reason for the increase in overall net position was due to changes in the net pension liability and net OPEB asset and related deferred amounts. Operating grants and contributions increased by \$1,134,678 due to additional categorical funds received as well as additional CTE dollars from our local ISD. Grants and contributions not restricted to specific programs increased by \$951,270 primarily due to a foundation allowance increase of \$458 per student. Over time, increases or decreases in the District's net position are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the District's operating results. However, the District's goal is to provide services to our students, not to generate profits. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the District.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,992,505, while the total fund balance was \$10,017,087. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 33.3% and 33.4%, respectively, of total general fund expenditures.

The fund balance of the District's general fund increased by \$2,017,784, or 25.2% from the prior year, primarily as a result of increased per pupil funding, increased interest income rates on bank accounts and the recognition of grant revenue to offset expenditures that have historically been covered by other general fund revenues.

General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. As a matter of practice, the District amends its budget periodically during the school year. These revisions are made in order to deal with unexpected changes in revenues and expenditures. The following analysis describes the reasons for changes in the budget during the year.

- Actual State Aid Foundation per pupil received increase or decrease recognized and updated
- Actual student count increase or decrease recognized and updated
- Amounts for state categoricals and federal grants recognized and updated
- Additional costs not considered in original budget recognized and updated.

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Management's Discussion and Analysis

In accordance with State statute, the District is prohibited from amending the budget after year-end. As the District's books are not closed for accounting purposes at that point, a certain level of estimation is required in determining actual need. Some of the more significant differences between the final amended budget and the actual financial results were:

- Basic program expenditures were under budget by \$1,609,651 primarily due to curriculum items that we intended to purchase and receive prior to the end of the fiscal year. We also expected our substitute staff costs to be higher.
- Added needs expenditures were over budget by \$446,600 primarily due to upgrades to our CTE classroom improvements as well as additional special education substitute staff that was needed.
- Operation and maintenance expenditures were under budget by \$330,336 primarily due to planned projects that were not able to be started and completed by the end of the fiscal year.

Capital Asset and Debt Administration

Capital Assets

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2024 amounted to \$20,652,357 (net of accumulated depreciation/amortization). Significant additions included roof repairs and cafeteria serving lines. Capital assets at year-end included the following:

	Capital Assets (Net of Depreciation/Amortization)	
	2024	2023
Land	\$ 1,319,665	\$ 1,319,665
Construction in progress	11,500	30,729
Buildings and improvements	16,903,569	16,650,858
Buses and other vehicles	912,003	1,051,917
Furniture and equipment	1,380,644	777,195
Lease equipment (Note 9)	45,101	-
Subscription asset (Note 10)	79,875	-
Total capital assets, net	\$ 20,652,357	\$ 19,830,364

Additional information on the District's capital assets can be found in Note 7 of this report.

EDWARDSBURG PUBLIC SCHOOLS

Management's Discussion and Analysis

Long-term Debt. At the end of the current fiscal year, the District had total long-term debt outstanding (excluding leases payable) of \$4,984,979. The District's total debt decreased by \$2,019,987 which was due to the current payments and amortization of the bond issuance premium.

Additional information on the District's long-term debt can be found in Note 8 of this report.

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 pertain to ongoing operations of the District:

- State funding for the 2024-25 school year has been set at \$9,825 per pupil, an increase of \$217 over the 23-24 school year. These additional funds will assist the District in retaining its excellent staff and programming.
- The District is located in Cass County Michigan, just above the Indiana state line, and as such, the large majority of residents work in the Elkhart, Mishawaka and South Bend, Indiana area. The economy has continued to be strong and growing in this region. The proximity to Notre Dame University, and other accredited four year universities provides additional non-manufacturing opportunities for employment and education.
- The District anticipates stable enrollment for the coming year. The District enjoys an outstanding reputation in Southwest Michigan and is highly sought after as an educational institution, with 23.4% of students coming in under the schools of choice program. In the fall of 2021, the Intermediate School was awarded the National Blue Ribbon Award, making it the third building in the District to receive the distinguished honor.
- Employee retirement costs paid into the Michigan Public Schools Employees' Retirement System (MPSERS), controlled by the State, continues to be a cause for concern into the future. Prior year legislative groups have begun to address this unfunded liability through the State's 147c funding program. For every dollar paid to employees throughout the year, the District pays a percentage into MPSERS. Addressing the unfunded MPSERS liability is necessary; however, it does reduce the overall available funds to all districts, as this funding dedicates a portion of school aid directly to this item.
- The District continues to optimize revenue and reduce expenditures with collaboration and partnerships, whenever possible and financially beneficial. Collaboration and partnerships are used in areas such as regional special education programming, and shared support services for cost effectiveness and revenue opportunities. Collaboration also occurs with our local police and ambulance departments for fuel storage sharing. The District participates in dual enrollment activities through the local Southwestern Michigan College as well as with Indiana University South Bend, a Big10 university.
- The District's outstanding reputation and financial stability assist in its employee recruitment and retention. Instructional positions are filled with relative ease. Transportation and Food Service, however, continue to struggle in finding qualified candidates, as is the case in Michigan and well as nationally. The District offers competitive wages as well as signing bonuses to recruit and maintain employment in these areas.

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Management's Discussion and Analysis

- Approximately 87% of the income the District receives to operate comes from the State and is primarily based on the number of students enrolled. The economic well-being of the State and the State's School Aid fund are very important. The District is fortunate to have a savings account in the form of our fund equity that can help us maintain our excellent staff and programming in the event of a downturn.

Contacting the District's Financial Management

This financial report is designed to provide the District's 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 financial information, contact the Business Office, Edwardsburg Public Schools, 69410 Section Street, Edwardsburg, MI 49112.

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BASIC FINANCIAL STATEMENTS

EDWARDSBURG PUBLIC SCHOOLS

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 9,329,797
Receivables	6,323,979
Other assets	46,043
Net other postemployment benefit asset	747,389
Capital assets not being depreciated	1,331,165
Capital assets being depreciated/amortized, net	<u>19,321,192</u>
Total assets	<u>37,099,565</u>
Deferred outflows of resources	
Deferred pension amounts	12,446,503
Deferred other postemployment benefit amounts	<u>2,677,919</u>
Total deferred outflows of resources	<u>15,124,422</u>
Liabilities	
Accounts payable and accrued liabilities	3,015,496
Unearned revenue	577,921
Bonds, notes and other long-term liabilities:	
Due within one year	1,054,334
Due in more than one year	3,975,163
Net pension liability (due in more than one year)	<u>42,847,713</u>
Total liabilities	<u>51,470,627</u>
Deferred inflows of resources	
Deferred pension amounts	5,276,322
Deferred other postemployment benefit amounts	<u>6,131,495</u>
Total deferred inflows of resources	<u>11,407,817</u>
Net position	
Net investment in capital assets	15,674,915
Restricted for:	
Food service operations	596,797
Debt service	274,690
Capital projects	1,009,491
Other postemployment benefits	747,389
Unrestricted (deficit)	<u>(28,957,739)</u>
Total net position	<u>\$ (10,654,457)</u>

The accompanying notes are an integral part of these financial statements.

EDWARDSBURG PUBLIC SCHOOLS

Statement of Activities

For the Year Ended June 30, 2024

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction	\$ 14,989,271	\$ 89,293	\$ 5,741,355	\$ (9,158,623)
Supporting services	9,417,385	48,939	2,359,010	(7,009,436)
Community services	20,792	11,760	-	(9,032)
Food services	1,797,279	94,761	1,798,206	95,688
Student/school activity	303,023	304,146	-	1,123
Athletics	938,376	62,687	2,940	(872,749)
Payments to other districts	290,916	-	-	(290,916)
Interest on long-term debt	193,007	-	51,184	(141,823)
Unallocated depreciation/amortization	1,469,696	-	-	(1,469,696)
Total governmental activities	<u>\$ 29,419,745</u>	<u>\$ 611,586</u>	<u>\$ 9,952,695</u>	<u>(18,855,464)</u>
General revenues				
Property taxes - operations				2,612,629
Property taxes - debt service				1,645,778
Grants and contributions not restricted to specific programs				22,230,195
Unrestricted investment earnings				293,050
Gain on sale of capital assets				39,194
Other revenues				334,547
Total general revenues				<u>27,155,393</u>
Change in net position				8,299,929
Net position, beginning of year				<u>(18,954,386)</u>
Net position, end of year				<u>\$ (10,654,457)</u>

The accompanying notes are an integral part of these financial statements.

EDWARDSBURG PUBLIC SCHOOLS

Balance Sheet

Governmental Funds
June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 7,349,108	\$ 1,980,689	\$ 9,329,797
Accounts receivable	47,535	838	48,373
Due from other funds	-	129,094	129,094
Due from other governments	6,246,801	28,805	6,275,606
Inventory	23,224	21,461	44,685
Prepaid items	1,358	-	1,358
Total assets	\$ 13,668,026	\$ 2,160,887	\$ 15,828,913
Liabilities			
Accounts payable	\$ 183,306	\$ 12,937	\$ 196,243
Accrued liabilities	2,318,416	-	2,318,416
Due to other funds	129,094	-	129,094
Due to other governments	477,928	8	477,936
Unearned revenue	542,195	35,726	577,921
Total liabilities	3,650,939	48,671	3,699,610
Fund balances			
Nonspendable	24,582	21,461	46,043
Restricted	-	1,883,056	1,883,056
Committed	-	207,699	207,699
Unassigned	9,992,505	-	9,992,505
Total fund balances	10,017,087	2,112,216	12,129,303
Total liabilities and fund balances	\$ 13,668,026	\$ 2,160,887	\$ 15,828,913

The accompanying notes are an integral part of these financial statements.

EDWARDSBURG PUBLIC SCHOOLS

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2024

Fund balances - total governmental funds \$ 12,129,303

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

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

Capital assets not being depreciated	1,331,165
Capital assets being depreciated/amortized, net	19,321,192

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds, notes and other long-term liabilities	(4,853,067)
Unamortized bond premiums	(124,375)
Compensated absences	(52,055)
Accrued interest on bonds payable	(22,901)

Certain pension and other postemployment benefit-related amounts, such as the net pension liability and other postemployment benefit asset and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Net pension liability	(42,847,713)
Deferred outflows related to the net pension liability	12,446,503
Deferred inflows related to the net pension liability	(5,276,322)
Net other postemployment benefit asset	747,389
Deferred outflows related to the net other postemployment benefit asset	2,677,919
Deferred inflows related to the net other postemployment benefit asset	(6,131,495)

Net position of governmental activities \$ (10,654,457)

The accompanying notes are an integral part of these financial statements.

EDWARDSBURG PUBLIC SCHOOLS

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Local sources	\$ 3,118,081	\$ 2,154,492	\$ 5,272,573
State sources	28,676,479	883,324	29,559,803
Federal sources	1,274,908	977,543	2,252,451
Interdistrict sources	300,538	-	300,538
Total revenues	<u>33,370,006</u>	<u>4,015,359</u>	<u>37,385,365</u>
Expenditures			
Current:			
Instruction	17,590,288	-	17,590,288
Supporting services	11,976,078	59,651	12,035,729
Community services	24,028	-	24,028
Food services	-	2,114,971	2,114,971
Student/school activity	-	303,023	303,023
Payments to other districts	290,916	-	290,916
Debt service:			
Principal	7,903	1,793,871	1,801,774
Interest and fiscal charges	2,097	201,403	203,500
Capital outlay	77,973	1,287,065	1,365,038
Total expenditures	<u>29,969,283</u>	<u>5,759,984</u>	<u>35,729,267</u>
Revenues over (under) expenditures	<u>3,400,723</u>	<u>(1,744,625)</u>	<u>1,656,098</u>
Other financing sources (uses)			
Transfers in	40,000	1,583,929	1,623,929
Transfers out	(1,583,929)	(40,000)	(1,623,929)
Proceeds from sale of capital assets	56,000	-	56,000
Issuance of leases payable	52,421	-	52,421
Insurance recovery	52,569	-	52,569
Total other financing sources	<u>(1,382,939)</u>	<u>1,543,929</u>	<u>160,990</u>
Net changes in fund balances	2,017,784	(200,696)	1,817,088
Fund balances, beginning of year	7,999,303	2,312,912	10,312,215
Fund balances, end of year	<u>\$ 10,017,087</u>	<u>\$ 2,112,216</u>	<u>\$ 12,129,303</u>

The accompanying notes are an integral part of these financial statements.

EDWARDSBURG PUBLIC SCHOOLS

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2024

Net changes in fund balances - total governmental funds \$ 1,817,088

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital assets purchased/constructed	2,308,495
Depreciation/amortization expense	(1,469,696)
Proceeds from sale of capital assets	(56,000)
Gain on sale of capital assets	39,194

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but a reduction in long-term debt on the statement of net position.

Principal payments on bonds, notes and other long-term liabilities	1,801,774
Issuance of leases payable	(52,421)
Amortization of bond premiums and discounts, net	242,546

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 funds.

Change in the net pension liability and related deferred amounts	1,694,223
Change in the net other postemployment benefit asset and related deferred amounts	1,980,663
Change in accrued interest payable on bonds	10,493
Change in compensated absences payable	(16,430)

Change in net position of governmental activities \$ 8,299,929

The accompanying notes are an integral part of these financial statements.

EDWARDSBURG PUBLIC SCHOOLS

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources	\$ 3,040,162	\$ 3,141,173	\$ 3,118,081	\$ (23,092)
State sources	27,390,054	28,794,823	28,676,479	(118,344)
Federal sources	794,634	644,993	1,274,908	629,915
Interdistrict sources	40,670	130,776	300,538	169,762
Total revenues	31,265,520	32,711,765	33,370,006	658,241
Expenditures				
Current:				
Instruction:				
Basic programs	15,235,818	15,739,612	14,129,961	(1,609,651)
Added needs	2,625,181	3,013,727	3,460,327	446,600
Total instruction	17,860,999	18,753,339	17,590,288	(1,163,051)
Supporting services:				
Pupil services	1,771,859	1,652,402	1,456,184	(196,218)
Instructional staff	796,392	749,177	674,980	(74,197)
General administration	895,225	906,176	949,565	43,389
School administration	1,895,990	1,849,746	1,818,230	(31,516)
Business	589,827	558,801	567,898	9,097
Operation and maintenance	3,323,956	3,686,860	3,356,524	(330,336)
Central services	752,211	645,820	572,892	(72,928)
Pupil transportation	1,950,105	1,699,031	1,641,429	(57,602)
Athletics	913,820	924,568	938,376	13,808
Total supporting services	12,889,385	12,672,581	11,976,078	(696,503)
Community services	35,246	22,936	24,028	1,092
Payments to other districts	302,800	293,000	290,916	(2,084)
Debt service:				
Principal	-	-	7,903	7,903
Interest and fiscal charges	-	-	2,097	2,097
Total debt service	-	-	10,000	10,000
Capital outlay	-	98,500	77,973	(20,527)
Total expenditures	31,088,430	31,840,356	29,969,283	(1,871,073)
Revenues over expenditures	177,090	871,409	3,400,723	2,529,314

continued...

EDWARDSBURG PUBLIC SCHOOLS

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other financing sources (uses)				
Transfers in	\$ 40,000	\$ 20,000	\$ 40,000	\$ 20,000
Transfers out	(267,500)	(1,446,514)	(1,583,929)	137,415
Proceeds from sale of capital assets	-	-	56,000	56,000
Issuance of leases payable	-	-	52,421	52,421
Insurance recovery	-	-	52,569	52,569
Total other financing sources (uses)	<u>(227,500)</u>	<u>(1,426,514)</u>	<u>(1,382,939)</u>	<u>318,405</u>
Net changes in fund balances	(50,410)	(555,105)	2,017,784	2,847,719
Fund balance, beginning of year	<u>7,999,303</u>	<u>7,999,303</u>	<u>7,999,303</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,948,893</u>	<u>\$ 7,444,198</u>	<u>\$ 10,017,087</u>	<u>\$ 2,847,719</u>

concluded

The accompanying notes are an integral part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Edwardsburg Public Schools (the “District”) was organized under the School Code of the State of Michigan and services a population of approximately 2,563 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, pre-school programs, athletic activities, special education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

A summary of the significant accounting policies of the District, consistently applied in the preparation of the accompanying financial statements, is as follows:

The Reporting Entity

As required by generally accepted accounting principles, these financial statements present the reporting entity of Edwardsburg Public Schools. The criteria identified in GAAP, including financial accountability, have been utilized in identifying the District’s reporting entity which includes no component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District had no *business-type activities* during the year ended June 30, 2024.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

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 collected within 60 days of the end of the current fiscal period or within one year for expenditure-driven grants. 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, are recorded only when payment is due.

Property taxes, State aid, expenditure-driven grant revenue 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. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

General fund – This fund is the District’s primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Additionally, the District reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. The District had no capital grants and contributions for the year ended June 30, 2024. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, unrestricted grants and interest income.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The effect of interfund activity has been eliminated from the government-wide financial statements.

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

Property Taxes

Property taxes are recognized as revenue in the general and debt service funds on a levy year basis. The 2023 levy amounts are recognized as current property tax revenue to the extent that they are collected during the year or within 60 days after year-end. Collections of delinquent taxes in subsequent years are recognized as property tax revenues in the year collected. Property taxes are levied December 1 on the assessed valuation of property located in the District as of the preceding December 31, the lien date. Assessed values are established annually by the various governmental units within the District and are equalized by the State of Michigan.

Cash and Cash Equivalents

The District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Investments

Investments consist of participation in an external investment pool. In accordance with GASB 79, the District's shares are recorded at amortized cost, which approximates fair value.

State statutes authorize the District to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

Receivables

The District follows the practice of recording revenues that have been earned but not yet received as receivables. Receivables consist primarily of state aid payments from the State of Michigan and federal grants earned by not yet collected. No amounts have been identified as potentially uncollectible by management, and therefore, no amount has been recorded as a provision for bad debts.

Other Assets

Inventories consist of office supplies and food items. Inventories are stated at cost (first in, first out). Payments to vendors for services that will benefit periods beyond a fund's fiscal year-end are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	7-40
Buses and other vehicles	10
Furniture and equipment	5-15

Deferred Outflows of Resources

In addition to assets, the statement of financial 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 will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to pension and other postemployment benefit costs in the government-wide statement of net position. A portion of these costs represent contributions to the plan subsequent to the plan measurement date.

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

Salaries Payable and Accrued Employee Benefits

A liability is recorded at June 30 for those amounts owed to teachers and other employees of the District who do not work during the summer when school is not in session but have elected to have their salaries paid over an entire year. This has the effect of properly charging their salaries to expenditures in the fiscal year in which their services are received, even though they are not paid until July and August of the following fiscal year.

The liability for accrued retirement and the employer share of FICA related to the salaries payable has been recorded as has the liability for employee health insurances for the months of July and August. The District pays these insurances for this period as a part of the compensation for services rendered in the preceding school year.

Compensated Absences

It is the District's policy to permit employees to accumulate various earned but unused sick pay benefits. These accrued when earned in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial 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 one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources related to pension and other postemployment benefit costs in the government-wide statement of net position.

Leases

Lessee. The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease 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. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the District is reasonably certain to exercise.

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

Subscription-Based Information Technology Arrangements (SBITA)

The District has a noncancellable subscription-based information technology arrangement. The District recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

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

Key estimates and judgments related to subscriptions include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The District uses the interest rate charged by the subscription vendor as the discount rate. When the interest rate charged by the subscription vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for subscriptions. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that the District is reasonably certain to exercise.

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

Long-term Obligations

In the government-wide financial statements long-term debt and other long term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the related bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

In the fund financial statements, governmental fund types recognized bond premiums and discounts during the current period. The face amount of debt issued is reported as an other financing source. Discounts and premiums on debt issuances are reported as other financing uses and sources, respectively.

Fund Equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education. A formal resolution of the Board of Education is required to establish, modify, or rescind a fund balance commitment. The District reports assigned fund balance for amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education delegates authority to assign fund balance for a specific purpose to the Superintendent or designee. Unassigned fund balance is the residual classification for the general fund. Other governmental funds besides the general fund can only report a negative unassigned fund balance, which would occur if expenditures were to be incurred for specific purposes that exceeded the amounts restricted, committed or assigned in the fund.

When the District incurs an expenditure for purposes for which various fund balance classifications can be used, it is the District's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The amounts recorded as subsidies or advances are determined by the District. Balances outstanding at year-end are reported as due to/from other funds.

Pension and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefit expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. ACCOUNTABILITY AND BUDGETARY COMPLIANCE

Budgets and Budgetary Accounting

State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act) requires that the General Fund of a school district be under budgetary control and that both budgeted and actual financial results do not incur a deficit. A school district's General Appropriations Resolution (the "budget") must be adopted before the beginning of each fiscal year. No violations (dollar deviations) from a district's budget may occur without a corresponding amendment to the budget. A school district has the ability to amend the budget provided that the amendment is prior to the occurrence of the deviation and prior to the fiscal year end. A school district may also permit the chief administrative or fiscal officer to execute transfers between line items, within defined dollar or percentage limits, without prior approval of the Board of Education. Expenditures may not legally exceed budgeted appropriations at the function level. All appropriations lapse at the end of the fiscal year.

1. Prior to June 30, the Superintendent of the District submits to the school board a proposed operating budget for the fiscal year commencing July 1 of that year. The operating budget includes proposed expenditures and the means of financing them for the General and Special Revenue Funds.
2. Prior to July 1, the budget is legally enacted through passage of a resolution, and in accordance with Public Act 621 of the State.
3. Formal budgetary integration is employed as a management control device during the year for all budgetary funds.
4. The District is required under Public Act 621 of 1978 and by accounting principles generally accepted in the United States of America to adopt a budget for the General Fund and any major Special Revenue Funds.
5. Budgets for the general fund and special revenue funds were adopted on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles and is reported in the financial statements as originally adopted and as amended by the Board of Education.

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

Excess of Expenditures Over Appropriations

During the year ended June 30, 2024, the District incurred the following expenditures in excess of the amounts appropriated.

	Total Appropriations	Amount of Expenditures	Budget Variance
General fund			
Added needs	\$ 3,013,727	\$ 3,460,327	\$ 446,600
General administration	906,176	949,565	43,389
Business	558,801	567,898	9,097
Athletics	924,568	938,376	13,808
Community services	22,936	24,028	1,092
Debt service - principal	-	7,903	7,903
Debt service - interest	-	2,097	2,097
Transfers out	1,446,514	1,583,929	137,415
Food service fund			
Current - food services	1,975,493	2,114,971	139,478
Student/school activity fund			
Current - student/school activity	300,000	303,023	3,023

3. STATE OF MICHIGAN SCHOOL AID

The District reports State of Michigan school aid in the fiscal year in which the District is entitled to the revenue as provided by State of Michigan school aid appropriation acts. State funding represented 86% of the District's general fund revenue during the 2024 fiscal year.

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS

The captions on the financial statements relating to deposits and investments are as follows:

	Governmental Activities
Cash and cash equivalents	<u>\$ 9,329,797</u>
Cash and cash equivalents are comprised of the following at year-end:	
Checking and savings accounts	\$ 1,824,356
Certificates of deposit (due within 1 year)	825,780
Investments	<u>6,679,661</u>
Total	<u>\$ 9,329,797</u>

Cash and cash equivalents are comprised of deposits in various financial institutions located in Michigan. State policy limits the District's investing options to financial institutions located in Michigan. All accounts are in the name of the District and a specific fund or common account.

The District chooses to disclose its investments by specifically identifying each. As of year-end, the District had the following investments:

	Maturity	Carrying Value	Rating
External investment pools:			
Michigan Liquid Asset Fund (MILAF):			
MILAF + Portfolio:			
MAX class	N/A	\$ 6,679,661	AAAm S&P

Investment and Deposit Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in Note 1 of the summary of significant accounting policies. The District's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The MILAF+ investment does not have a stated maturity date.

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of District's specific financial institutions, qualified mutual funds, and qualified external investment pools as identified in Note 1 (summary of significant accounting policies). The investment policy does not have specific limits in excess of State law on investment credit risk.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District minimizes this risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors to be in compliance with the requirements set forth in the District's investment policy. As of year-end, \$2,695,895 of the District's bank balance of \$3,535,856 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk 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 minimized this risk by pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors to be in compliance with the requirements set forth in the District's investment policy. The District is exposed to no custodial credit risk on its investments because they are held in the name of the District.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1 of the summary of significant accounting policies. The District's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

5. RECEIVABLES AND PAYABLES

Receivables in the government-wide financial statements at year-end are as follows:

Accounts	\$ 48,373
Due from other governments	<u>6,275,606</u>
Total	<u>\$ 6,323,979</u>

Accounts payable and accrued liabilities in the government-wide financial statements at year-end are as follows:

Accounts payable	\$ 196,243
Accrued liabilities	2,318,416
Due to other governments	477,936
Interest payable on long-term debt	<u>22,901</u>
Total	<u>\$ 3,015,496</u>

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

6. INTERFUND BALANCES

Amounts due from (to) other funds, representing interfund receivables and payables for year-end expenditure allocations not reimbursed at June 30, 2024 are detailed as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$ -	\$ 129,094
Nonmajor governmental funds	129,094	-
Total	<u>\$ 129,094</u>	<u>\$ 129,094</u>

The above balances generally resulted from a time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

For the year ended June 30, 2024, interfund transfers consisted of the following:

Transfers Out	Transfers In		Total
	General Fund	Nonmajor Governmental Funds	
General fund	\$ -	\$ 1,583,929	\$ 1,583,929
Nonmajor governmental funds	40,000	-	40,000
Total	<u>\$ 40,000</u>	<u>\$ 1,583,929</u>	<u>\$ 1,623,929</u>

The general fund transfer to the 2012 QZAB debt service fund was for covering the current year QZAB principal and interest payments. The general fund transfer to the public improvement fund was to transfer MILAF investment funds for future capital projects. The food service fund transfer to the general fund was for allowable indirect costs.

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Notes to Financial Statements

7. CAPITAL ASSETS

A summary of changes in capital assets activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 1,319,665	\$ -	\$ -	\$ -	\$ 1,319,665
Construction in progress	30,729	-	-	(19,229)	11,500
	<u>1,350,394</u>	<u>-</u>	<u>-</u>	<u>(19,229)</u>	<u>1,331,165</u>
Capital assets, being depreciated/amortized:					
Buildings and improvements	44,632,002	1,285,900	-	11,500	45,929,402
Buses and other vehicles	2,869,847	68,926	(192,944)	-	2,745,829
Furniture and equipment	3,478,302	793,048	(19,544)	7,729	4,259,535
Lease equipment (Note 9)	-	54,121	-	-	54,121
Subscription asset (Note 10)	-	106,500	-	-	106,500
	<u>50,980,151</u>	<u>2,308,495</u>	<u>(212,488)</u>	<u>19,229</u>	<u>53,095,387</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(27,981,144)	(1,044,689)	-	-	(29,025,833)
Buses and other vehicles	(1,817,930)	(192,034)	176,138	-	(1,833,826)
Furniture and equipment	(2,701,107)	(197,328)	19,544	-	(2,878,891)
Lease equipment (Note 9)	-	(9,020)	-	-	(9,020)
Subscription asset (Note 10)	-	(26,625)	-	-	(26,625)
	<u>(32,500,181)</u>	<u>(1,469,696)</u>	<u>195,682</u>	<u>-</u>	<u>(33,774,195)</u>
Total capital assets being depreciated/amortized, net	<u>18,479,970</u>	<u>838,799</u>	<u>(16,806)</u>	<u>19,229</u>	<u>19,321,192</u>
Governmental activities capital assets, net	<u>\$ 19,830,364</u>	<u>\$ 838,799</u>	<u>\$ (16,806)</u>	<u>\$ -</u>	<u>\$ 20,652,357</u>

Depreciation/amortization expense was reported as unallocated on the statement of activities.

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Notes to Financial Statements

8. BONDS, NOTES AND OTHER LONG-TERM LIABILITIES

The following is a summary of bonds, notes and other long-term liabilities transactions of the District for the year ended June 30, 2024:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 6,602,420	\$ -	\$ (1,793,871)	\$ 4,808,549	\$ 1,018,871
Lease payable (Note 9)	-	52,421	(7,903)	44,518	8,219
Total	6,602,420	52,421	(1,801,774)	4,853,067	1,027,090
Unamortized premiums	366,921	-	(242,546)	124,375	24,875
Compensated absences	35,625	20,296	(3,866)	52,055	2,369
Total governmental activities	\$ 7,004,966	\$ 72,717	\$ (2,048,186)	\$ 5,029,497	\$ 1,054,334

General obligation bonds

2012 refunding bonds due in amounts ranging from \$735,000 through \$780,000 plus interest at 2.5% through 2029 (unlimited tax, general obligation)

\$ 3,815,000

2012 qualified zone academy bonds (QZAB) due in amounts ranging from \$141,935 through \$283,871 plus interest at 4.23% through 2028 (limited tax, general obligation)

993,549

Total

\$ 4,808,549

Future principal and interest payment requirements on outstanding general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest
2025	\$ 1,018,871	\$ 137,402
2026	1,033,871	107,019
2027	1,053,871	76,262
2028	921,936	45,004
2029	780,000	19,500
Total	<u>\$ 4,808,549</u>	<u>\$ 385,187</u>

Compensated absences are generally liquidated by the general fund.

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Notes to Financial Statements

9. LEASE

Lessee - The District is involved in one agreement as a lessee that qualifies as a long-term lease agreement. Below is a summary of the nature of this agreement. This agreement qualifies as an intangible, right-to-use asset and not a financed purchase, as the District will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year.

Asset Type	Remaining Term of Agreement
Leased equipment	5 Years

Future principal and interest payment requirements as of June 30, 2024, were as follows:

Year Ended June 30,	Principal	Interest
2025	\$ 8,219	\$ 5,929
2026	8,548	4,608
2027	8,890	3,234
2028	9,246	1,804
2029	<u>9,615</u>	<u>379</u>
Total	<u>\$ 44,518</u>	<u>\$ 15,954</u>

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT

The District is involved in one agreement that qualifies as a long-term subscription-based information technology arrangement ("SBITA"). Below is a summary of the nature of this agreement. This agreement qualifies as an intangible, right-to-use subscription asset as the District has the control of the right to use another party's IT software and the noncancelable term of the agreement surpasses one year. The District has fully prepaid for the right to use this asset.

Asset Type	Remaining Term of Agreement
Subscription asset	2 years

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Notes to Financial Statements

11. PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS

Plan Description

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

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

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

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

Pension Benefits Provided

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

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

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Participants in the defined contribution plan consist of one of the following: (1) members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan; (2) members who elected to transfer from the defined benefit plan to the defined contribution plan under the reform (P.A. 300) of 2012; or (3) members who worked for a Michigan public school on or after February 1, 2018 and did not elect participation in the Pension Plus 2 plan. Members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan receive a 100% match of the member contribution rate up to a maximum of 3% based on the member's gross earnings. Additionally, there is a mandatory employer contribution of 4% of the member's gross earnings for MPSERS members who elected to convert from a Basic or MIP benefit plan to the defined contribution benefit plan. Members electing the Pension Plus or Pension Plus 2 benefit plan receive a 50% match of the member's contribution percent up to a maximum of 1% based on the member's gross earnings. Effective October 1, 2017, there is a mandatory employer contribution of 4% of the member's gross earnings for members who elect the Defined Contribution benefit plan. The employer must match 100% of the employee contribution for any member who elected the Personal Healthcare Fund up to a maximum of 2% of the member's gross earnings. For all members with a Personal Health Care Fund (PHF), the first 2% of DC contributions must go into the PHF and must be matched 100% by the employer.

Other Postemployment Benefits Provided

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

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

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Notes to Financial Statements

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

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2024:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	20.16% - 23.03%
Member Investment Plan (MIP)	3.00% - 7.00%	20.16% - 23.03%
Pension Plus	3.00% - 6.40%	17.24% - 19.17%
Pension Plus 2	6.20%	19.95% - 20.10%
Defined Contribution	0.00%	13.75% - 13.90%

For the year ended June 30, 2024, required and actual contributions from the District to the pension plan were \$5,419,632, which included \$2,628,866, the amount received from the State and remitted to the System to fund the MPSERS unfunded actuarial accrued liability ("UAAL") stabilization rate.

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The table below summarizes OPEB contribution rates in effect for fiscal year 2024:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	8.07% - 8.31%
Personal Healthcare Fund (PHF)	0.00%	7.06% - 7.21%

For the year ended June 30, 2024, required and actual contributions from the District to the OPEB plan were \$1,016,989.

The table below summarizes defined contribution rates in effect for fiscal year 2024:

Benefit Structure	Member Rates	Employer Rates
Defined Contribution	0.00% - 3.00%	0.00% - 7.00%
Personal Healthcare Fund (PHF)	0.00% - 2.00%	0.00% - 2.00%

For the year ended June 30, 2024, required and actual contributions from the District for those members with a defined contribution benefit were \$323,342.

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

At June 30, 2024, the District reported a liability of \$42,847,713 for its proportionate share of the MPSERS net pension liability. 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 rolled forward from September 2022. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2023, the District's proportion was 0.13238%, which was a decrease of (0.00334)% from its proportion measured as of September 30, 2022.

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Notes to Financial Statements

For the year ended June 30, 2024, the District recognized pension expense of \$5,085,099. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ 1,352,572	\$ 65,636	\$ 1,286,936
Changes in assumptions	5,806,060	3,347,642	2,458,418
Net difference between projected and actual earnings on pension plan investments	-	876,803	(876,803)
Changes in proportion and differences between employer contributions and proportionate share of contributions	121,291	986,241	(864,950)
	<u>7,279,923</u>	<u>5,276,322</u>	<u>2,003,601</u>
District contributions subsequent to the measurement date	5,166,580	-	5,166,580
	<u>5,166,580</u>	<u>-</u>	<u>5,166,580</u>
Total	<u>\$ 12,446,503</u>	<u>\$ 5,276,322</u>	<u>\$ 7,170,181</u>

The amount reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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 June 30,	Amount
2025	\$ 708,040
2026	404,114
2027	1,615,761
2028	<u>(724,314)</u>
Total	<u>\$ 2,003,601</u>

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Notes to Financial Statements

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

At June 30, 2024, the District reported an asset of \$747,389 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2022. The District's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2023, the District's proportion was 0.13212% which was a decrease of (0.00024)% from its proportion measured as of September 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB benefit of \$1,353,892. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ 5,647,654	\$ (5,647,654)
Changes in assumptions	1,663,818	200,355	1,463,463
Net difference between projected and actual earnings on OPEB plan investments	2,279	-	2,279
Changes in proportion and differences between employer contributions and proportionate share of contributions	96,129	283,486	(187,357)
	<u>1,762,226</u>	<u>6,131,495</u>	<u>(4,369,269)</u>
District contributions subsequent to the measurement date	915,693	-	915,693
Total	<u>\$ 2,677,919</u>	<u>\$ 6,131,495</u>	<u>\$ (3,453,576)</u>

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The amount reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an adjustment to the net OPEB asset/liability in the year ended June 30, 2025. 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 June 30,	Amount
2025	\$ (1,415,007)
2026	(1,312,323)
2027	(531,323)
2028	(534,901)
2029	(385,525)
Thereafter	<u>(190,190)</u>
Total	<u>\$ (4,369,269)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total pension and OPEB liabilities in the September 30, 2022 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age, normal
Wage inflation rate	2.75%
Investment rate of return:	
MIP and Basic plans (non-hybrid)	6.00%
Pension Plus plan (hybrid)	6.00%
Pension Plus 2 plan (hybrid)	6.00%
OPEB plans	6.00%
Projected salary increases	2.75% - 11.55%, including wage inflation at 2.75%
Cost of living adjustments	3% annual non-compounded for MIP members
Healthcare cost trend rate	Pre-65: 7.50% Year 1 graded to 3.5% Year 15 Post-65: 6.25% Year 1 graded to 3.5% Year 15
Mortality	Retirees: PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010. Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

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Notes to Financial Statements

Other OPEB assumptions:

Opt-out assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt-out of the retiree health plan.
Survivor coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage election at retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 and 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2018 and September 30, 2023 valuations, respectively. The total pension and OPEB liabilities as of September 30, 2023, are based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4406 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.5099 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Changes in assumptions. The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.

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Notes to Financial Statements

Long-term Expected Return on Pension and OPEB Plan Assets

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.43%	1.36%
Private equity pools	16.00%	8.99%	1.44%
International equity pools	15.00%	6.37%	0.95%
Fixed income pools	13.00%	1.22%	0.16%
Real estate and infrastructure pools	10.00%	5.99%	0.60%
Absolute return pools	9.00%	4.49%	0.40%
Real return/opportunistic pools	10.00%	6.83%	0.68%
Short-term investment pools	2.00%	0.28%	0.01%
	<u>100.00%</u>		5.60%
Inflation			2.70%
Risk adjustment			<u>-2.30%</u>
Investment rate of return			<u><u>6.00%</u></u>

Rate of Return

For the 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.

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Notes to Financial Statements

Discount Rate

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
District's proportionate share of the net pension liability	\$ 57,887,135	\$ 42,847,713	\$ 30,326,851

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
District's proportionate share of the net OPEB (asset) liability	\$ 774,818	\$ (747,389)	\$ (2,055,576)

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Notes to Financial Statements

Sensitivity of the District’s Proportionate Share of the Net OPEB Asset to Healthcare Cost Trend Rate

The following presents the District’s proportionate share of the net OPEB (asset) liability calculated using the assumed trend rates, as well as what the District’s proportionate share of the net OPEB (asset) liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB (asset) liability	\$ (2,058,838)	\$ (747,389)	\$ 672,029

Pension and OPEB Plans Fiduciary Net Position

Detailed information about the pension and OPEB plan’s fiduciary net position is available in the separately issued MPSERS financial statements available on the State of Michigan Office of Retirement Services website at www.michigan.gov/orsschools.

Payable to the Pension Plan

At June 30, 2024, the District reported a payable of \$770,859 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2024.

Payable to the OPEB Plan

At June 30, 2024, the District reported a payable of \$105,604 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2024.

12. CONTINGENCIES

Federal Grant Programs

The District participates in federally assisted grant programs, which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, not to be material.

Risk Management

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The District has purchased commercial insurance for property loss, errors and omissions, workers' compensation, health benefits, and dental and vision benefits provided to employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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Notes to Financial Statements

13. FUND BALANCES - GOVERNMENTAL FUNDS

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable			
Inventory	\$ 23,224	\$ 21,461	\$ 44,685
Prepaid items	1,358	-	1,358
	<u>24,582</u>	<u>21,461</u>	<u>46,043</u>
Restricted			
Capital projects	-	1,009,491	1,009,491
Debt service	-	297,591	297,591
Food service program	-	575,974	575,974
	<u>-</u>	<u>1,883,056</u>	<u>1,883,056</u>
Committed			
Bookstore	-	67,388	67,388
Student/school activity	-	140,311	140,311
	<u>-</u>	<u>207,699</u>	<u>207,699</u>
Unassigned	<u>9,992,505</u>	<u>-</u>	<u>9,992,505</u>
Total fund balances	<u>\$ 10,017,087</u>	<u>\$ 2,112,216</u>	<u>\$ 12,129,303</u>

EDWARDSBURG PUBLIC SCHOOLS

Notes to Financial Statements

14. NET INVESTMENT IN CAPITAL ASSETS

The composition of the District's net investment in capital assets as of June 30, 2024, was as follows:

Capital assets:	
Capital assets not being depreciated	\$ 1,331,165
Capital assets being depreciated/amortized, net	<u>19,321,192</u>
	<u>20,652,357</u>
Related debt:	
Bonds, notes and other long-term liabilities	4,853,067
Premiums on bonds payable	<u>124,375</u>
	<u>4,977,442</u>
Net investment in capital assets	<u><u>\$ 15,674,915</u></u>

15. SUBSEQUENT EVENT

In July 2024, the District issued 2024 school building and site bonds, Series I, in the amount of \$17,780,000. The bonds bear interest between 4.00% and 5.00%, and final payment is due May 1, 2045.



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REQUIRED SUPPLEMENTARY INFORMATION

EDWARDSBURG PUBLIC SCHOOLS

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Proportionate Share of the Net Pension Liability

	Year Ended June 30,			
	2024	2023	2022	2021
District's proportionate share of the net pension liability	\$ 42,847,713	\$ 51,040,982	\$ 32,353,831	\$ 46,516,993
District's proportion of the net pension liability	0.13238%	0.13572%	0.13666%	0.13542%
District's covered payroll	\$ 13,290,014	\$ 13,572,102	\$ 13,893,865	\$ 12,699,162
District's proportionate share of the net pension liability as a percentage of its covered payroll	322.41%	376.07%	232.86%	366.30%
Plan fiduciary net position as a percentage of the total pension liability	65.91%	60.77%	72.60%	59.72%

See notes to required supplementary information.



Year Ended June 30,					
2020	2019	2018	2017	2016	2015
\$ 45,054,050	\$ 40,911,126	\$ 35,238,393	\$ 33,680,522	\$ 32,056,026	\$ 28,267,376
0.13605%	0.13609%	0.13598%	0.13124%	0.12833%	0.13500%
\$ 12,270,681	\$ 12,023,397	\$ 11,694,656	\$ 11,364,404	\$ 11,198,017	\$ 10,971,129
367.17%	340.26%	301.32%	296.37%	286.27%	257.65%
60.08%	62.12%	63.96%	63.27%	63.17%	66.20%

EDWARDSBURG PUBLIC SCHOOLS

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan
Schedule of District Pension Contributions

	Year Ended June 30,			
	2024	2023	2022	2021
Statutorily required contribution	\$ 5,419,632	\$ 4,774,887	\$ 4,557,203	\$ 4,133,806
Contributions in relation to the statutorily required contribution	<u>(5,419,632)</u>	<u>(4,774,887)</u>	<u>(4,557,203)</u>	<u>(4,133,806)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,886,459	\$ 13,690,426	\$ 13,893,865	\$ 12,699,162
Contributions as a percentage of covered payroll	39.03%	34.88%	32.80%	32.55%

See notes to required supplementary information.



Year Ended June 30,					
2020	2019	2018	2017	2016	2015
\$ 3,805,031	\$ 3,638,901	\$ 3,530,619	\$ 3,031,417	\$ 2,531,839	\$ 2,405,271
<u>(3,805,031)</u>	<u>(3,638,901)</u>	<u>(3,530,619)</u>	<u>(3,031,417)</u>	<u>(2,531,839)</u>	<u>(2,405,271)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 12,791,611	\$ 12,250,245	\$ 11,953,938	\$ 11,364,404	\$ 11,198,017	\$ 11,071,836
29.75%	29.70%	29.54%	26.67%	22.61%	21.72%

EDWARDSBURG PUBLIC SCHOOLS

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Proportionate Share of the Net OPEB (Asset) Liability

	Year Ended June 30,			
	2024	2023	2022	2021
District's proportionate share of the net OPEB (asset) liability	\$ (747,389)	\$ 2,803,435	\$ 2,112,119	\$ 7,293,010
District's proportion of the net OPEB asset/liability	0.13212%	0.13236%	0.13837%	0.13613%
District's covered payroll	\$ 13,290,014	\$ 13,572,102	\$ 13,893,865	\$ 12,699,162
District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-5.62%	20.66%	15.20%	57.43%
Plan fiduciary net position as a percentage of the total OPEB liability	105.04%	83.09%	87.33%	59.44%

See notes to required supplementary information.



Year Ended June 30,

2020	2019	2018
-------------	-------------	-------------

\$ 9,798,963 \$ 10,919,491 \$ 12,105,800

0.13652% 0.13737% 0.13670%

\$ 12,270,681 \$ 12,023,397 \$ 11,694,656

79.86% 90.82% 103.52%

48.67% 43.10% 36.53%

EDWARDSBURG PUBLIC SCHOOLS

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan
Schedule of District OPEB Contributions

	Year Ended June 30,			
	2024	2023	2022	2021
Statutorily required contributions	\$ 1,016,989	\$ 1,485,613	\$ 1,164,895	\$ 1,044,673
Contributions in relation to the statutorily required contributions	<u>(1,016,989)</u>	<u>(1,485,613)</u>	<u>(1,164,895)</u>	<u>(1,044,673)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,886,459	\$ 13,690,426	\$ 13,893,865	\$ 12,699,162
Contributions as a percentage of covered payroll	7.32%	10.85%	8.38%	8.23%

See notes to required supplementary information.



Year Ended June 30,		
2020	2019	2018
\$ 962,178	\$ 1,048,567	\$ 855,406
<u>(962,178)</u>	<u>(1,048,567)</u>	<u>(855,406)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 12,791,611	\$ 12,250,245	\$ 11,953,938
7.52%	8.56%	7.16%

EDWARDSBURG PUBLIC SCHOOLS

Notes to Required Supplementary Information

Pension Information

The amounts presented in the schedule of the District's Proportionate Share of the Net Pension Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation.
- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00% for the MIP and Basic plans, and 6.00% for the Pension Plus Plan.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

OPEB Information

GASB 75 was implemented in fiscal year 2018. The OPEB plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the District's Proportionate Share of the Net OPEB Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.
- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00%.

EDWARDSBURG PUBLIC SCHOOLS

Notes to Required Supplementary Information

OPEB Information (Concluded)

- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%. The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased to 7.75%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%. The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased to 7.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.95%.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

EDWARDSBURG PUBLIC SCHOOLS

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2024

	Special Revenue Funds		
	Food Service	Bookstore	Student/School Activity
Assets			
Cash and cash equivalents	\$ 529,225	\$ 67,549	\$ 143,349
Accounts receivable	-	-	-
Due to other fund	89,123	-	-
Due from other governments	3,098	-	-
Inventory	20,823	638	-
Total assets	<u>\$ 642,269</u>	<u>\$ 68,187</u>	<u>\$ 143,349</u>
Liabilities			
Accounts payable	\$ 9,744	\$ 161	\$ 3,032
Due to other governments	2	-	6
Unearned revenue	35,726	-	-
Total liabilities	<u>45,472</u>	<u>161</u>	<u>3,038</u>
Fund balances			
Nonspendable	20,823	638	-
Restricted	575,974	-	-
Committed	-	67,388	140,311
Total fund balances	<u>596,797</u>	<u>68,026</u>	<u>140,311</u>
Total liabilities and fund balances	<u>\$ 642,269</u>	<u>\$ 68,187</u>	<u>\$ 143,349</u>



Debt Service Funds			Capital Project	
2012 Refunding	2012 QZAB	2016 Refunding	Public Improvement	Total
\$ 33,071	\$ 52	\$ 197,952	\$ 1,009,491	\$ 1,980,689
338	-	500	-	838
16,324	-	23,647	-	129,094
-	25,707	-	-	28,805
-	-	-	-	21,461
<u>\$ 49,733</u>	<u>\$ 25,759</u>	<u>\$ 222,099</u>	<u>\$ 1,009,491</u>	<u>\$ 2,160,887</u>
\$ -	\$ -	\$ -	\$ -	\$ 12,937
-	-	-	-	8
-	-	-	-	35,726
-	-	-	-	48,671
-	-	-	-	21,461
49,733	25,759	222,099	1,009,491	1,883,056
-	-	-	-	207,699
<u>49,733</u>	<u>25,759</u>	<u>222,099</u>	<u>1,009,491</u>	<u>2,112,216</u>
<u>\$ 49,733</u>	<u>\$ 25,759</u>	<u>\$ 222,099</u>	<u>\$ 1,009,491</u>	<u>\$ 2,160,887</u>

EDWARDSBURG PUBLIC SCHOOLS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds		
	Food Service	Bookstore	Student/School Activity
Revenues			
Local sources	\$ 102,640	\$ 65,105	\$ 306,657
State sources	871,847	-	-
Federal sources	926,359	-	-
Total revenues	<u>1,900,846</u>	<u>65,105</u>	<u>306,657</u>
Expenditures			
Current:			
Supporting services	-	59,651	-
Food services	2,114,971	-	-
Student/school activity	-	-	303,023
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>2,114,971</u>	<u>59,651</u>	<u>303,023</u>
Revenues over (under) expenditures	<u>(214,125)</u>	<u>5,454</u>	<u>3,634</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(40,000)	-	-
Total other financing sources (uses)	<u>(40,000)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>(254,125)</u>	<u>5,454</u>	<u>3,634</u>
Fund balances, beginning of year	<u>850,922</u>	<u>62,572</u>	<u>136,677</u>
Fund balances, end of year	<u>\$ 596,797</u>	<u>\$ 68,026</u>	<u>\$ 140,311</u>

Debt Service Funds			Capital Project	
2012 Refunding	2012 QZAB	2016 Refunding	Public Improvement	Total
\$ 669,150	\$ -	\$ 990,028	\$ 20,912	\$ 2,154,492
4,591	-	6,886	-	883,324
-	51,184	-	-	977,543
<u>673,741</u>	<u>51,184</u>	<u>996,914</u>	<u>20,912</u>	<u>4,015,359</u>
-	-	-	-	59,651
-	-	-	-	2,114,971
-	-	-	-	303,023
630,000	283,871	880,000	-	1,793,871
111,641	54,066	35,696	-	201,403
-	-	-	1,287,065	1,287,065
<u>741,641</u>	<u>337,937</u>	<u>915,696</u>	<u>1,287,065</u>	<u>5,759,984</u>
<u>(67,900)</u>	<u>(286,753)</u>	<u>81,218</u>	<u>(1,266,153)</u>	<u>(1,744,625)</u>
-	312,428	-	1,271,501	1,583,929
-	-	-	-	(40,000)
-	312,428	-	1,271,501	1,543,929
(67,900)	25,675	81,218	5,348	(200,696)
117,633	84	140,881	1,004,143	2,312,912
<u>\$ 49,733</u>	<u>\$ 25,759</u>	<u>\$ 222,099</u>	<u>\$ 1,009,491</u>	<u>\$ 2,112,216</u>

EDWARDSBURG PUBLIC SCHOOLS

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Food Service Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources:				
Food sales	\$ 400,000	\$ 105,722	\$ 94,761	\$ (10,961)
Interest earnings	-	-	7,879	7,879
Total local sources	<u>400,000</u>	<u>105,722</u>	<u>102,640</u>	<u>(3,082)</u>
State sources - State School Aid	95,000	903,496	871,847	(31,649)
Federal sources -				
Federal aid received through the State	<u>750,000</u>	<u>706,596</u>	<u>926,359</u>	<u>219,763</u>
Total revenues	1,245,000	1,715,814	1,900,846	185,032
Expenditures				
Current - food services	<u>1,929,214</u>	<u>1,975,493</u>	<u>2,114,971</u>	<u>139,478</u>
Revenues over (under) expenditures	(684,214)	(259,679)	(214,125)	45,554
Other financing uses				
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net changes in fund balance	(724,214)	(299,679)	(254,125)	45,554
Fund balance, beginning of year	<u>850,922</u>	<u>850,922</u>	<u>850,922</u>	<u>-</u>
Fund balance, end of year	<u>\$ 126,708</u>	<u>\$ 551,243</u>	<u>\$ 596,797</u>	<u>\$ 45,554</u>

EDWARDSBURG PUBLIC SCHOOLS

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Bookstore Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources:				
Dues and fees	\$ 70,000	\$ 64,600	\$ 63,528	\$ (1,072)
Interest earnings	-	-	1,577	1,577
Total revenues	70,000	64,600	65,105	505
Expenditures				
Current - supporting services	70,000	73,000	59,651	(13,349)
Net changes in fund balance	-	(8,400)	5,454	13,854
Fund balance, beginning of year	62,572	62,572	62,572	-
Fund balance, end of year	\$ 62,572	\$ 54,172	\$ 68,026	\$ 13,854

EDWARDSBURG PUBLIC SCHOOLS

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Student/School Activity Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources:				
Student/school activity grants and fees	\$ 290,000	\$ 303,600	\$ 304,146	\$ 546
Earnings on investments	-	-	2,511	2,511
Total revenues	290,000	303,600	306,657	3,057
Expenditures				
Current - student/school activity	290,000	300,000	303,023	3,023
Net changes in fund balance	-	3,600	3,634	34
Fund balance, beginning of year	136,677	136,677	136,677	-
Fund balance, end of year	<u>\$ 136,677</u>	<u>\$ 140,277</u>	<u>\$ 140,311</u>	<u>\$ 34</u>