

Ida Public Schools



Year Ended
June 30, 2024

Financial
Statements and
Single Audit Act
Compliance

Rehmann

This page intentionally left blank.

IDA PUBLIC SCHOOLS

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation – Fund Balances of Governmental Funds to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation – Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	21
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	22
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Technology Fund	23
Notes to Financial Statements	25
Required Supplementary Information	
MPSERS Cost-Sharing Multiple-Employer Plan	
Schedule of the District's Proportionate Share of the Net Pension Liability	52
Schedule of the District's Pension Contributions	54
Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit Liability (Asset)	56
Schedule of the District's Other Postemployment Benefit Contributions	58
Notes to Required Supplementary Information	60
Combining Fund Financial Statements	
Nonmajor Governmental Funds:	
Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	66

IDA PUBLIC SCHOOLS

Table of Contents

	<u>Page</u>
Single Audit Act Compliance	
Independent Auditors' Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	71
Schedule of Expenditures of Federal Awards	74
Notes to Schedule of Expenditures of Federal Awards	78
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	81
Independent Auditors' Report on Compliance for the Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	83
Schedule of Findings and Questioned Costs	87
Summary Schedule of Prior Audit Findings	89



INDEPENDENT AUDITORS' REPORT

September 25, 2024

Board of Education
Ida Public Schools
Ida, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Ida 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund and the major special revenue fund, for the year then ended in conformity 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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, 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 fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District’s internal control over financial reporting and compliance.



This page intentionally left blank.

MANAGEMENT'S DISCUSSION AND ANALYSIS

IDA PUBLIC SCHOOLS

Management's Discussion and Analysis

As management of Ida 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 ending June 30, 2024.

Financial Highlights

· Total net position	\$ (8,049,891)
· Change in total net position	5,468,130
· Fund balances, governmental funds	16,893,505
· Change in fund balances, governmental funds	9,108,110
· Unassigned fund balance, general fund	6,165,935
· Change in fund balance, general fund	1,731,481
· Installment debt, ending balance	7,273,080
· Change in installment debt	7,238,374

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 other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, supporting services, food service, community services, technology, and athletics. The District has no business-type activities during the current year.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

IDA PUBLIC SCHOOLS

Management's Discussion and Analysis

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, technology special revenue fund, and 2024 bond capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

Notes to the 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 Schools Employees' Retirement System (MPSERS) pension and other postemployment benefit plans immediately following the notes to the financial statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

IDA PUBLIC SCHOOLS

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District reported a deficit net position of \$8.0 million at the close of the most recent fiscal year.

Of the District's net position, \$5.2 million reflects its investment in capital assets (e.g., land, land improvements, buildings and improvements, machinery and equipment, transportation equipment, software, leased equipment, and subscription assets) net of related debt. The District uses these capital assets to provide services to the students it serves; consequently, these assets are not available for future spending.

	Net Position	
	Governmental Activities	
	2024	2023
Assets		
Current and other assets	\$ 19,539,738	\$ 9,893,718
Capital assets, net	6,601,341	4,005,873
Total assets	<u>26,141,079</u>	<u>13,899,591</u>
Deferred outflows of resources	<u>9,774,283</u>	<u>12,334,047</u>
Liabilities		
Other liabilities	2,282,859	2,108,323
Long-term liabilities	34,737,466	33,596,396
Total liabilities	<u>37,020,325</u>	<u>35,704,719</u>
Deferred inflows of resources	<u>6,944,928</u>	<u>4,046,940</u>
Net position		
Net investment in capital assets	5,177,251	3,971,167
Restricted	2,656,088	1,580,851
Unrestricted (deficit)	(15,883,230)	(19,070,039)
Total net position	<u>\$ (8,049,891)</u>	<u>\$ (13,518,021)</u>

An additional portion of the District's net position, \$2.7 million represents resources that are subject to external restrictions on how they may be used. The remaining balance represents unrestricted net position, which has a negative balance of \$15.9 million.

The total net position (deficit) of \$8.0 million of governmental activities represents accumulated results of all past years' operations. The operating results of the general fund and the requirement to show the District's proportionate share of the MPSERS net pension and other postemployment benefit liabilities (assets) will have a significant impact on the change in unrestricted net position from year to year.

IDA PUBLIC SCHOOLS

Management's Discussion and Analysis

The results of this year's operations for the District as a whole are reported in the statement of activities. Below is a summary of the District's changes in net position for the years ended June 30, 2024 and 2023, respectively.

	Change in Net Position	
	Governmental Activities	
	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ 255,804	\$ 593,113
Operating grants and contributions	3,062,930	3,246,461
General revenues:		
Property taxes	1,934,705	802,995
Unrestricted state aid	17,073,465	15,654,245
Unrestricted investment earnings	337,116	122,821
Other	324,796	305,769
Total revenues	<u>22,988,816</u>	<u>20,725,404</u>
Expenses		
Instruction	10,551,977	10,545,049
Supporting services	4,582,432	5,144,343
Food service	1,041,035	947,484
Community services	191,903	6,749
Technology	189,106	437,519
Athletics	353,889	328,549
Interest on long-term liabilities	237,371	3,883
Unallocated depreciation/amortization	372,973	352,686
Total expenses	<u>17,520,686</u>	<u>17,766,262</u>
Change in net position	5,468,130	2,959,142
Net position		
Beginning of year	<u>(13,518,021)</u>	<u>(16,477,163)</u>
End of year	<u>\$ (8,049,891)</u>	<u>\$ (13,518,021)</u>

Governmental Activities. Governmental activities increased the District's net position by \$5.5 million. Key elements of this change are as follows:

- Changes in the District's Proportionate Share of the Net Pension Liability and OPEB asset.
- Increases in the State per-pupil foundation amounts.
- District's management of resources on capital outlay, sinking fund, staffing, and student needs.
- The use of District Federal and State Grants.

IDA PUBLIC SCHOOLS

Management's Discussion and Analysis

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 government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$17.0 million, an increase of \$9.1 million in comparison with the prior year. Of this total amount 37% (approximately \$6.2 million) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because the underlying assets are included in inventory, prepaids or endowments and are not available for current expenditure, or the fund balances are constrained by externally imposed restrictions, or it is constrained by the intent of the Board of Education or management.

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 \$6.2 million. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 36% of total general fund expenditures.

The fund balance of the District's general fund increased by approximately \$1.7 million during the current fiscal year. This is primarily attributable to an increase in State and Federal revenues, conservative spending practices, and the timing of projects for the District. The Districts conservative approach is an effort to smooth out any funding cliff fall as the pandemic relief funds end.

The fund balance of the District's technology fund increased by approximately \$65,000 during the current fiscal year. This is primarily attributable to the increase in revenue sources from the enhancement millage compared to the current technology expenditures of the District. Many technology initiatives are based on the current needs of the District and are evaluated prior to knowing the anticipated millage revenue.

The fund balance of the District's 2024 bond capital projects fund (which was new during the fiscal year) increased by \$6.5 million during the current fiscal year. This was due to the District passing a new energy improvement bond and receiving \$7.9 million in Bond Proceeds. The District has begun spending these funds on its geothermal project that will replace the old univents and boiler systems in the middle and high school. The project also includes updating its weatherization on all doors and windows.

IDA PUBLIC SCHOOLS

Management's Discussion and Analysis

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted before the 2023-24 year end. A statement showing the District's original and final budget amounts compared with amounts actually paid and received is provided in a separate financial statement as part of the District's basic financial statements.

Differences between the original and final amended budgets relate to updates in state funding, grant funding allocations, changes in salaries and benefits costs, and student count for the District. Once this additional information was known, subsequent budget amendments recognized the shifting of revenue sources/additional revenue along with adjusting expenditures in District program budgets that were impacted by the changes.

Budget to actual comparisons for the general fund were generally favorable. Net change in fund balance was \$0.9 million more than what was shown in the final amended budget. This was primarily due to the District budgeting conservatively for expenditures and being unable to fill certain budgeted positions. As a result, the District's shortfall against the revenue budget was more than offset by the District's positive performance against the expenditure budget.

Budgeted revenues were increased by \$1.5 million from the original to the final amended budget. Budgeted expenditures were increased by \$0.6 million from the original to the final amended budget. For the 2023-24 year, significant budget adjustments to the general fund included:

- Districts adjustment to FTEs.
- Adjustments to all COVID-19 grants revenues and expenditures.
- The State passed through retirement expenses in 147c categorical monies.
- Grant program carryover adjustment for both revenues and expenditures.
- Changes and adjustments in the District staffing.
- Changes in the District coverage for employee insurance census information.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2024, amounted to \$6.6 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment, transportation equipment, software, leased equipment, and subscription assets. The net increase in the District's investment in capital assets for the current fiscal year was approximately 64.8%.

The major capital asset events during the current fiscal year included the following:

- The purchase of one bus for a total of \$81,963.
- Camera project totaling \$188,286.
- Safety upgrades \$41,385.
- Geothermal Project \$2,152,140.
- Food Service equipment (generator, freezers, and hot tables) for \$76,796.
- Replacement equipment (cnc machine and ECM Modual) for \$47,705.
- Upgrades to school facilities (gates, generators, carpet and bathroom) for \$298,461

IDA PUBLIC SCHOOLS

Management's Discussion and Analysis

	Capital Assets (Net of Depreciation/ Amortization)	
	2024	2023
Land	\$ 771,045	\$ 771,045
Land improvements	486,904	511,384
Buildings and improvements	3,947,153	1,608,372
Machinery and equipment	1,140,711	783,535
Transportation equipment	243,006	291,933
Software	2,458	3,711
Leased equipment	7,155	14,310
Subscription assets	2,909	21,583
Total capital assets, net	\$ 6,601,341	\$ 4,005,873

Additional information on the District's capital assets can be found in the notes to the financial statements.

Long-term Debt. At the end of the current fiscal year, the District had total installment debt of \$7,273,080, of which most was attributable to the new Energy Conservation bonds issued during the year. This amount represents general obligations of the District that constitute an indebtedness of the District within any constitutional or statutory limitations, as well as the District's long-term liabilities for subscriptions and leases.

Additional information on the District's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

Our elected officials and administration considered many factors when setting the District's 2025 fiscal year budget (2024-2025). Two of the most important factors affecting the budget are student count and the level of State funding. Taxes received from the locals are also budgeted and changed during the year as valuations and board of review judgments are received.

Unrestricted state aid revenue is determined by multiplying the blended student count by the foundation allowance per pupil and reducing it by local revenues received. Legislative change to the allowance includes no change to the per pupil amount. This decrease from estimated budgeted foundation allowance represents a 2.5% decrease in the District's main revenue source.

The 2025 fiscal year budget was adopted in June 2024, based on an estimate of students that will be funded for the 2024-25 year (a blended figure is used based on the percentages from the Legislature). Once the final student count and related per pupil (State) funding is validated, the District will amend the budget to reflect updated revenues and expenditures. Current state legislative budgetary changes will adjust revenues and expenditures for new categorical State allocations.

IDA PUBLIC SCHOOLS

Management's Discussion and Analysis

The following factors were also considered in preparing the District's budget for the 2024-25 fiscal year:

- The budget for the year ended June 30, 2025, was adopted in June 2024. Additional funding had been provided by the State of Michigan through various restricted federal grant programs. The District is continuously evaluating the impacts of the pandemic as it determines the appropriate methods to deliver education to students in a safe environment. These factors will have a significant impact on the operational and financial performance of the District especially as some of this additional funding comes to an end.
- Staffing had some significant changes with four retirements and one new position.
- Student FTE count of 1,431 blended membership.
- Foundation Allowance of \$9,849, and no other one-time categorical funding.
- Retirement costs increases with additional 147c funding undetermined.
- Projected increases in benefit caps and census changes for insurance expenses.
- The District's open bargaining agreements.
- Updates for currently known grant allocations and funding amounts for programs.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Office, Ida Public Schools, 3145 Prairie Street, Ida, Michigan 48140.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

IDA PUBLIC SCHOOLS

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 15,326,270
Receivables	3,719,680
Other assets	18,962
Net other postemployment benefit asset	474,826
Capital assets not being depreciated/amortized	771,045
Capital assets being depreciated/amortized, net	<u>5,830,296</u>
Total assets	<u>26,141,079</u>
Deferred outflows of resources	
Deferred pension amounts	7,940,349
Deferred other postemployment benefit amounts	<u>1,833,934</u>
Total deferred outflows of resources	<u>9,774,283</u>
Liabilities	
Accounts payable and accrued liabilities	1,720,807
Unearned revenue	562,052
Long-term debt and other long-term liabilities:	
Due within one year	657,446
Due in more than one year	7,273,809
Net pension liability (due in more than one year)	<u>26,806,211</u>
Total liabilities	<u>37,020,325</u>
Deferred inflows of resources	
Deferred pension amounts	3,099,224
Deferred other postemployment benefit amounts	<u>3,845,704</u>
Total deferred inflows of resources	<u>6,944,928</u>
Net position	
Net investment in capital assets	5,177,251
Restricted for:	
Net other postemployment benefit asset	474,826
Food service	968,532
Technology	864,477
Capital Projects	343,193
Permanent fund:	
Expendable	60
Non-expendable	5,000
Unrestricted (deficit)	<u>(15,883,230)</u>
Total net position	<u>\$ (8,049,891)</u>

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

IDA 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	\$ 10,551,977	\$ -	\$ 1,929,652	\$ (8,622,325)
Supporting services	4,582,432	-	-	(4,582,432)
Food service	1,041,035	131,810	605,906	(303,319)
Community services	191,903	9,782	-	(182,121)
Technology	189,106	-	527,372	338,266
Athletics	353,889	114,212	-	(239,677)
Interest on long-term liabilities	237,371	-	-	(237,371)
Unallocated depreciation/amortization	372,973	-	-	(372,973)
Total governmental activities	<u>\$ 17,520,686</u>	<u>\$ 255,804</u>	<u>\$ 3,062,930</u>	<u>(14,201,952)</u>
General revenues				
Property taxes				1,934,705
Unrestricted state aid				17,073,465
Unrestricted investment earnings				337,116
Gain on sale of capital assets				5,580
Other				<u>319,216</u>
Total general revenues				<u>19,670,082</u>
Change in net position				5,468,130
Net position, beginning of year				<u>(13,518,021)</u>
Net position, end of year				<u>\$ (8,049,891)</u>

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

IDA PUBLIC SCHOOLS

Balance Sheet

Governmental Funds

June 30, 2024

	General	Technology	2024 Bond Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 4,992,063	\$ 825,598	\$ 6,488,594	\$ 3,020,015	\$ 15,326,270
Accounts receivable	7,797	1,780	-	12,466	22,043
Due from other funds	-	49,858	-	3,527	53,385
Due from other governments	3,663,763	6,105	-	27,769	3,697,637
Inventory	15,565	-	-	-	15,565
Prepaid items	846	2,551	-	-	3,397
Total assets	\$ 8,680,034	\$ 885,892	\$ 6,488,594	\$ 3,063,777	\$ 19,118,297
Liabilities					
Accounts payable	\$ 106,051	\$ 14,652	\$ 32,293	\$ 12,517	\$ 165,513
Due to other funds	21,233	-	-	32,152	53,385
Accrued salaries payable	673,455	608	-	1,103	675,166
Other accrued liabilities	756,934	6,155	-	5,587	768,676
Unearned revenue	549,410	-	-	12,642	562,052
Total liabilities	2,107,083	21,415	32,293	64,001	2,224,792
Fund balances					
Nonspendable:					
Inventory	15,565	-	-	-	15,565
Prepaid items	846	2,551	-	-	3,397
Endowments	-	-	-	5,000	5,000
Restricted for:					
Food service	-	-	-	968,532	968,532
Technology	-	861,926	-	-	861,926
Scholarships	-	-	-	60	60
Capital projects	-	-	6,456,301	343,193	6,799,494
Committed for:					
Capital projects	-	-	-	1,334,361	1,334,361
Community recreation	-	-	-	15,585	15,585
Student/school activities	-	-	-	333,045	333,045
Assigned for -					
Subsequent year					
appropriations	390,605	-	-	-	390,605
Unassigned	6,165,935	-	-	-	6,165,935
Total fund balances	6,572,951	864,477	6,456,301	2,999,776	16,893,505
Total liabilities and fund balances	\$ 8,680,034	\$ 885,892	\$ 6,488,594	\$ 3,063,777	\$ 19,118,297

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

IDA PUBLIC SCHOOLS

Reconciliation

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

Fund balances - total governmental funds	\$ 16,893,505
Amounts reported for <i>governmental activities</i> 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 fund statement.	
Capital assets not being depreciated/amortized	771,045
Capital assets being depreciated/amortized, net	5,830,296
Certain liabilities, such as bonds, compensated absences, and other long-term liabilities are not due and payable in the current period, and therefore are not reported in the funds.	
Long-term debt and other long-term liabilities	(7,323,944)
Unamortized bond premium	(607,311)
Interest payable	(111,452)
Certain pension and other postemployment benefit-related amounts, such as the net pension and other postemployment benefit liabilities (assets) 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	(26,806,211)
Deferred outflows related to the net pension liability	7,940,349
Deferred inflows related to the net pension liability	(3,099,224)
Net other postemployment benefit asset	474,826
Deferred outflows related to the net other postemployment benefit asset	1,833,934
Deferred inflows related to the net other postemployment benefit asset	<u>(3,845,704)</u>
Net position of governmental activities	<u>\$ (8,049,891)</u>

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

IDA PUBLIC SCHOOLS

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2024

	General	Technology	(Formerly Major Fund) General Capital Projects	2024 Bond Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Local sources	\$ 1,059,925	\$ -		\$ -	\$ 1,432,760	\$ 2,492,685
State sources	16,996,874	25,858		-	698,554	17,721,286
Federal sources	726,367	4,622		-	438,328	1,169,317
Interdistrict sources and other	588,229	516,332		-	134,813	1,239,374
Interest revenue	178,218	6,418		133,816	42,122	360,574
Total revenues	19,549,613	553,230		133,816	2,746,577	22,983,236
Expenditures						
Current:						
Instruction	10,558,317	-		-	-	10,558,317
Supporting services	5,968,021	-		-	282,886	6,250,907
Food service	-	-		-	1,101,974	1,101,974
Community services	183,313	-		-	-	183,313
Technology	-	461,009		-	-	461,009
Athletics	365,585	-		-	-	365,585
Community recreation	-	-		-	8,590	8,590
Debt service:						
Principal	7,806	18,820		-	-	26,626
Interest and fiscal charges	2,474	759		-	-	3,233
Bond issuance costs	-	-		-	161,123	161,123
Capital outlay	111,851	7,590		1,427,140	1,124,196	2,670,777
Total expenditures	17,197,367	488,178		1,427,140	2,678,769	21,791,454
Revenues over (under) expenditures	2,352,246	65,052		(1,293,324)	67,808	1,191,782
Other financing sources (uses)						
Proceeds from issuance of bond	-	-		7,265,000	-	7,265,000
Premium from issuance of bond	-	-		645,748	-	645,748
Proceeds from sale of capital assets	5,580	-		-	-	5,580
Transfers in	-	-		-	787,468	787,468
Transfers out	(626,345)	-		(161,123)	-	(787,468)
Total other financing sources (uses)	(620,765)	-		7,749,625	787,468	7,916,328
Net change in fund balances	1,731,481	65,052		6,456,301	855,276	9,108,110
Fund balances, beginning of year as previously reported	4,841,470	799,425	975,966	-	1,168,534	7,785,395
Change within financial reporting entity (major to nonmajor fund)	-	-	(975,966)	-	975,966	-
Fund balances, beginning of year as adjusted	4,841,470	799,425	-	-	2,144,500	7,785,395
Fund balances, end of year	\$ 6,572,951	\$ 864,477	\$ -	\$ 6,456,301	\$ 2,999,776	\$ 16,893,505

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

IDA 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 change in fund balances - total governmental funds \$ 9,108,110

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 expense.

Capital assets purchased/constructed	2,968,441
Depreciation/amortization expense	(372,973)
Gain on sale of capital assets	5,580
Proceeds from the sale of capital assets	(5,580)

Long-term liabilities proceeds provide current financial resources to governmental funds in the period issued, but issuing long-term liabilities increases total liabilities in the statement of net position. Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Proceeds from issuance of bond	(7,265,000)
Premium from issuance of bond	(645,748)
Principal payments on other long-term liabilities	26,626
Amortization of bond premium	38,437

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 net pension liability and related deferred amounts	162,968
Change in net other postemployment benefit liability (asset) and related deferred amounts	1,542,870
Change in the accrual for interest expense	(111,452)
Change in the accrual for compensated absences	15,851

Change in net position of governmental activities \$ 5,468,130

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

IDA PUBLIC SCHOOLS

Statement 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	\$ 938,142	\$ 1,055,596	\$ 1,059,925	\$ 4,329
State sources	15,662,082	16,866,196	16,996,874	130,678
Federal sources	655,598	760,659	726,367	(34,292)
Interdistrict sources and other	570,000	588,229	588,229	-
Interest revenue	76,000	178,000	178,218	218
Total revenues	17,901,822	19,448,680	19,549,613	100,933
Expenditures				
Current:				
Instruction:				
Basic programs	9,326,742	9,249,095	8,936,638	(312,457)
Added needs	1,386,778	1,658,326	1,621,679	(36,647)
Total instruction	10,713,520	10,907,421	10,558,317	(349,104)
Supporting services:				
Pupil	1,248,593	1,310,022	1,225,794	(84,228)
Instructional services	245,056	256,837	242,715	(14,122)
General administration	477,871	480,327	463,291	(17,036)
School administration	1,358,950	1,389,673	1,379,880	(9,793)
Business	306,184	310,268	307,622	(2,646)
Operations and maintenance	1,544,495	1,581,632	1,484,688	(96,944)
Pupil transportation services	970,918	947,887	845,440	(102,447)
Central	18,400	25,050	18,591	(6,459)
Total supporting services	6,170,467	6,301,696	5,968,021	(333,675)
Community services	-	184,952	183,313	(1,639)
Athletics	367,020	396,733	365,585	(31,148)
Debt service:				
Principal	10,000	10,000	7,806	(2,194)
Interest and fiscal charges	5,000	5,000	2,474	(2,526)
Total debt service	15,000	15,000	10,280	(4,720)
Capital outlay	104,810	140,385	111,851	(28,534)
Total expenditures	17,370,817	17,946,187	17,197,367	(748,820)
Revenues over expenditures	531,005	1,502,493	2,352,246	849,753
Other financing sources (uses)				
Proceeds from sale of capital assets	2,000	5,580	5,580	-
Transfers out	(571,180)	(626,345)	(626,345)	-
Total other financing sources (uses)	(569,180)	(620,765)	(620,765)	-
Net change in fund balance	(38,175)	881,728	1,731,481	849,753
Fund balance, beginning of year	4,841,470	4,841,470	4,841,470	-
Fund balance, end of year	\$ 4,803,295	\$ 5,723,198	\$ 6,572,951	\$ 849,753

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

IDA PUBLIC SCHOOLS

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Technology Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources	\$ 500	\$ -	\$ -	\$ -
State sources	21,488	25,358	25,858	500
Federal sources	5,384	5,384	4,622	(762)
Interdistrict sources and other	462,865	499,865	516,332	16,467
Interdistrict sources and other	4,895	4,895	6,418	1,523
Total revenues	<u>495,132</u>	<u>535,502</u>	<u>553,230</u>	<u>17,728</u>
Expenditures				
Current -				
Technology	481,124	532,744	461,009	(71,735)
Debt service:				
Principal	-	-	18,820	18,820
Interest and fiscal charges	-	-	759	759
Total debt service	-	-	19,579	19,579
Capital outlay	39,300	9,300	7,590	(1,710)
Total expenditures	<u>520,424</u>	<u>542,044</u>	<u>488,178</u>	<u>(53,866)</u>
Net change in fund balance	(25,292)	(6,542)	65,052	71,594
Fund balance, beginning of year	799,425	799,425	799,425	-
Fund balance, end of year	<u>\$ 774,133</u>	<u>\$ 792,883</u>	<u>\$ 864,477</u>	<u>\$ 71,594</u>

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

This page intentionally left blank.

NOTES TO FINANCIAL STATEMENTS

IDA PUBLIC SCHOOLS

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Ida Public Schools (the “District”) has followed the guidelines of the Governmental Accounting Standards Board and has determined that no entities should be consolidated into its basic financial statements as component units. Therefore, the reporting entity consists of the primary government financial statements only. The criteria for including a component unit include significant operational or financial relationships with the District.

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 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 current year.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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*.

Separate financial statements are provided for governmental funds. 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.

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 government 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 and claims and judgments, are recorded only when payment is due.

IDA PUBLIC SCHOOLS

Notes to Financial Statements

Property taxes 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 government.

The District reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

The *technology fund* is a special revenue fund used to account for technology projects. Revenues are from intermediate sources related to a technology millage.

The *2024 bond capital projects fund* is 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.

Additionally, the District reports the following fund types:

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

The *debt service fund* is used to account for financial resources restricted, committed, or assigned to expenditure for principal and interest.

The *capital projects 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.

The *permanent fund* accounts for contributions earmarked for scholarships available to qualifying students of the District.

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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and investments

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

Investments, if any, are reported at fair value.

IDA PUBLIC SCHOOLS

Notes to Financial Statements

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

Accounts payable and other payables reflected in the financial statements are based on when the liability is incurred.

Inventory and prepaid items

Inventory is valued at the lower of cost (first in, first out) or market. The cost is recorded as an expenditure when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items.

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 three years. 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 using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and land improvements	50
Machinery and equipment	5-20
Transportation equipment	3-7
Software	5-10

Deferred outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows or 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 related to the net pension liability and net other postemployment benefit asset. A portion of these costs represent contributions to the plan subsequent to the plan measurement date.

Notes to Financial Statements

Compensated absences

Employees can accumulate compensated absences by not using the number of sick days allotted each year. The maximum number of allowable accumulated sick days varies for employees depending on the capacity in which the District employs him/her. The vested liability for compensated absences is based on a dollar amount multiplied by the number of days accumulated for a maximum of 180 days, by employees who have been employed by the District for 10 or more years. The current portion represents the estimated amount that will be paid to employees in the next fiscal year.

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 (leased 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.

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

At the commencement of a subscription, the District initially measures the subscription payable at the present value of payments expected to be made during the subscription term. Subsequently, the subscription payable is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription payable, 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.

IDA PUBLIC SCHOOLS

Notes to Financial Statements

Key estimates and judgments related to subscriptions include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription payable 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 payable if certain changes occur that are expected to significantly affect the amount of the subscription payable.

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's deferred inflows of resources are related to the net pension liability and net other postemployment benefit asset.

Long-term obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position. Where applicable, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

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 the resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can 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 government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education has delegated the authority to assign fund balance to the Superintendent or his/her designee. Unassigned fund balance is the residual classification for the general fund.

IDA PUBLIC SCHOOLS

Notes to Financial Statements

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.

Pensions and other postemployment benefits

For purposes of measuring the net pension liability and other postemployment benefit asset, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment 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.

Use of Estimates

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

2. COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

The general and special revenue funds are under formal budgetary control. Budgets shown in the financial statements are adopted on a basis consistent with GAAP, and are not significantly different from the modified accrual basis used to reflect actual results, and consist only of those amounts contained in the formal budget as originally adopted or as amended by the Board of Education. The budgets for the general and special revenue funds are adopted on a functional basis.

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year the District incurred certain expenditures in excess of the amounts appropriated as follows:

	Final Budget	Actual	Over Final Budget
Technology Fund			
Debt service:			
Principal	\$ -	\$ 18,820	\$ 18,820
Interest and fiscal charges	-	759	759

IDA PUBLIC SCHOOLS

Notes to Financial Statements

Capital Projects Sinking Fund

The District's sinking fund capital projects fund records capital project activities funded with a sinking fund millage. For this fund, the District has complied with the applicable provisions of §1212 of the Michigan Revised School Code.

Bond Capital Projects Fund

The 2024 bond capital projects fund includes capital project activities funded with bonds. For this capital project, the District has complied with the applicable provisions of Section 1351a of the Revised School Code. The fund is not yet considered substantially complete and a subsequent year audit is expected (if applicable).

3. DEPOSITS AND INVESTMENTS

A reconciliation of cash and investments as shown on the Statement of Net Position follows:

Statement of Net Position

Cash and cash equivalents	<u>\$ 15,326,270</u>
---------------------------	----------------------

Deposits and investments

Bank deposits (checking and savings accounts)	\$ 8,832,676
Certificates of deposit (due in more than one year)	5,000
Michigan Liquid Asset Fund	<u>6,488,594</u>
	<u>\$ 15,326,270</u>

Statutory Authority

State statutes authorize the District to invest in:

Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State. In a primary or fourth class school district, the bonds, bills, or notes shall be payable at the option of the holder upon not more than 90 days notice or, if not so payable, shall have maturity dates not more than five years after the purchase dates.

Certificates of deposit insured by a State or national bank, savings accounts of a state or federal savings and loan association, or certificates of deposit or share certificates of a state or federal credit union organized and authorized to operate in this State.

Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.

IDA PUBLIC SCHOOLS

Notes to Financial Statements

Securities issued or guaranteed by agencies or instrumentalities of the United States government or federal agency obligation repurchase agreements, and bankers' acceptance issued by a bank that is a member of the federal deposit insurance corporation.

Mutual funds composed entirely of investment vehicles that are legal for direct investment by a school district.

Investment pools, as authorized by the surplus funds investment pool act, composed entirely of instruments that are legal for direct investment by a school district.

The District's investment policy allows for all of the above investment types.

The District chooses to disclose its investments by specific identification. As of year end, the District had the following investments:

Investment	Maturity	Amortized cost	Rating
Michigan Liquid Asset Fund	n/a	<u>\$ 6,488,594</u>	S&P AAAM

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the list of authorized investments above. 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.

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 specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. The District's investment policy does not have specific limits in excess of state law on investment credit risk. The ratings for each investment are identified above for investments held at year end.

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. State law does not require and the District does not have a policy for deposit custodial credit risk. As of year end, \$8,498,116 of the District's bank balance of \$9,011,450 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. State law does not require and the District does not have a policy for investment custodial credit risk. The investments listed above are not subject to custodial credit risk.

IDA PUBLIC SCHOOLS

Notes to Financial Statements

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. 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.

Fair Value. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District's investments in the Michigan Liquid Assets Fund (MILAF) are recorded at amortized cost, therefore, fair value is not applicable.

4. RECEIVABLES

Accounts receivable as of year end for the District’s major funds and nonmajor funds in the aggregate, were as follows:

	General	Technology	Nonmajor Governmental Funds	Total
Accounts	\$ 7,797	\$ 1,780	\$ 12,466	\$ 22,043
Due from other governments	3,663,763	6,105	27,769	3,697,637
	<u>\$ 3,671,560</u>	<u>\$ 6,105</u>	<u>\$ 40,235</u>	<u>\$ 3,719,680</u>

IDA PUBLIC SCHOOLS

Notes to Financial Statements

5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated/amortized - Land	\$ 771,045	\$ -	\$ -	\$ 771,045
Capital assets being depreciated/amortized:				
Land improvements	966,287	-	-	966,287
Buildings and improvements	5,821,400	2,410,711	-	8,232,111
Machinery and equipment	1,886,777	475,767	(10,305)	2,352,239
Transportation equipment	2,008,549	81,963	(188,018)	1,902,494
Software	26,446	-	-	26,446
Leased equipment (note 9)	28,620	-	-	28,620
Subscription assets (note 10)	40,257	-	-	40,257
	<u>10,778,336</u>	<u>2,968,441</u>	<u>(198,323)</u>	<u>13,548,454</u>
Less accumulated depreciation/amortization for:				
Land improvements	(454,903)	(24,480)	-	(479,383)
Buildings and improvements	(4,213,028)	(71,930)	-	(4,284,958)
Machinery and equipment	(1,103,242)	(118,591)	10,305	(1,211,528)
Transportation equipment	(1,716,616)	(130,890)	188,018	(1,659,488)
Software	(22,735)	(1,253)	-	(23,988)
Leased equipment (note 9)	(14,310)	(7,155)	-	(21,465)
Subscription assets (note 10)	(18,674)	(18,674)	-	(37,348)
	<u>(7,543,508)</u>	<u>(372,973)</u>	<u>198,323</u>	<u>(7,718,158)</u>
Total capital assets being depreciated/amortized, net	<u>3,234,828</u>	<u>2,595,468</u>	<u>-</u>	<u>5,830,296</u>
Capital assets, net	<u>\$ 4,005,873</u>	<u>\$ 2,595,468</u>	<u>\$ -</u>	<u>\$ 6,601,341</u>

Depreciation/amortization expense of \$372,973 was charged to the function "unallocated depreciation/amortization" and not allocated to other functions.

At June 30, 2024, the District had remaining construction commitments for its Energy Savings Project of \$6.3 million.

IDA PUBLIC SCHOOLS

Notes to Financial Statements

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued expenses as of year end for the District’s major funds and nonmajor funds in the aggregate, are as follows:

	General	Technology	2024 Bond Capital Projects	Nonmajor Governmental Funds	Total
Accounts payable	\$ 106,051	\$ 14,652	\$ 32,293	\$ 12,517	\$ 165,513
Accrued salaries payable	673,455	608	-	1,103	675,166
Other accrued liabilities	756,934	6,155	-	5,587	768,676
	<u>\$ 1,536,440</u>	<u>\$ 21,415</u>	<u>\$ 32,293</u>	<u>\$ 19,207</u>	
Government-wide Financial Statements - Accrued interest on long-term debt					<u>111,452</u>
					<u>\$ 1,720,807</u>

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

For the year ending June 30, 2024, interfund receivables/payables consisted of the following:

	Due From	Due To
General fund	\$ -	\$ 21,233
Technology fund	49,858	-
Nonmajor governmental funds	3,527	32,152
	<u>\$ 53,385</u>	<u>\$ 53,385</u>

The District often reports interfund balances between many of its funds. These interfund balances result primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

	Transfers in	Transfers out
General fund	\$ -	\$ 626,345
2024 bond capital projects fund	-	161,123
Nonmajor governmental funds	787,468	-
	<u>\$ 787,468</u>	<u>\$ 787,468</u>

IDA PUBLIC SCHOOLS

Notes to Financial Statements

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the year ended June 30, 2024, the District transferred funds from the general fund to fund capital project expenditures in both the general capital projects and track construction funds. The District also transferred interest revenue from the 2024 bond capital projects to pay for debt service and proceeds to pay for bond issuance costs.

8. LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bond	\$ -	\$ 7,265,000	\$ -	\$ 7,265,000	\$ 530,000
Lease payable (note 9)	13,008	-	(7,806)	5,202	5,202
Subscriptions payable (note 10)	21,698	-	(18,820)	2,878	2,878
Total installment debt	34,706	7,265,000	(26,626)	7,273,080	538,080
Unamortized bond premium	-	645,748	(38,437)	607,311	92,250
Compensated absences	66,715	26,479	(42,330)	50,864	27,116
Total Long-term Debt	\$ 101,421	\$ 7,937,227	\$ (107,393)	\$ 7,931,255	\$ 657,446

Compensated absences are generally liquidated by the general fund.

General obligation bonds

2024 Energy Conservation bonds, due in annual installments of \$530,000 to \$1,670,000 through 2031, interest at 5.00%.

\$ 7,265,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 530,000	\$ 426,819	\$ 956,819
2026	1,575,000	336,750	1,911,750
2027	1,670,000	258,000	1,928,000
2028	780,000	174,500	954,500
2029	840,000	135,500	975,500
2030-2031	1,870,000	141,750	2,011,750
Totals	\$ 7,265,000	\$ 1,473,319	\$ 8,738,319

IDA PUBLIC SCHOOLS

Notes to Financial Statements

9. LEASES PAYABLE

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.

The right-to-use-assets and the related activity are included in Note 5, Capital Assets. The lease payable and related activity is presented in Note 8, Long-term Debt and Other Long-term Liabilities.

Asset Type	Remaining Term of Agreements
Equipment	1 year

The net present value of future minimum payments as of June 30, 2024, were as follows:

Year Ended June 30,	Principal	Interest
2025	<u>\$ 5,202</u>	<u>\$ 1,650</u>

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District is involved in two arrangements that qualify as long-term subscription-based information technology arrangements ("SBITA"). Below is a summary of the nature of these arrangements. These arrangements qualify as intangible, right-to-use subscription assets as the District has the control of the right to use another party's IT software and the noncancelable term of the arrangement surpasses one year. The present values are discounted using an interest rate of 3.5 percent based on the District's incremental borrowing rate.

The right-to-use-assets and the related activity are included in Note 5, Capital Assets. The subscriptions payable and related activity are presented in Note 8, Long-term Debt and Other Long-term Liabilities.

Asset Type	Remaining Term of Arrangements
Subscription assets	1 year

The net present value of future minimum payments as of June 30, 2024, were as follows:

Year Ended June 30,	Principal	Interest
2025	<u>\$ 2,878</u>	<u>\$ 101</u>

IDA PUBLIC SCHOOLS

Notes to Financial Statements

11. RISK MANAGEMENT

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

The shared-risk pool program in which the District participates operates as a common risk-sharing management program for school districts in Michigan, covering property, casualty and worker disability claims; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

12. PROPERTY TAXES

Property taxes levied by the District are collected by the Townships of Bedford, Dundee, Ida, Lasalle, Monroe, and Raisinville and periodically remitted to the District. The taxes are levied and become a lien as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

13. 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.

Notes to Financial Statements

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.

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.

IDA PUBLIC SCHOOLS

Notes to Financial Statements

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

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions 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 \$3,486,039, which included \$1,659,913, the amount received from the State and remitted to the System to fund the MPSERS unfunded actuarial accrued liability ("UAAL") stabilization rate.

IDA PUBLIC SCHOOLS

Notes to Financial Statements

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 \$692,494.

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 \$178,288.

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 \$26,806,211 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 0.08282%, which was a decrease of -0.00140% from its proportion measured as of September 30, 2022.

IDA PUBLIC SCHOOLS

Notes to Financial Statements

For the year ended June 30, 2024, the District recognized pension expense of \$3,309,017. 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	\$ 846,190	\$ 41,063	\$ 805,127
Changes in assumptions	3,632,364	2,094,338	1,538,026
Net difference between projected and actual earnings on pension plan investments	-	548,542	(548,542)
Changes in proportion and differences between employer contributions and proportionate share of contributions	185,836	415,281	(229,445)
	<u>4,664,390</u>	<u>3,099,224</u>	<u>1,565,166</u>
District contributions subsequent to the measurement date	3,275,959	-	3,275,959
	<u>3,275,959</u>	<u>-</u>	<u>3,275,959</u>
Total	<u>\$ 7,940,349</u>	<u>\$ 3,099,224</u>	<u>\$ 4,841,125</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	\$ 593,897
2026	342,177
2027	1,063,848
2028	<u>(434,756)</u>
Total	<u>\$ 1,565,166</u>

IDA PUBLIC SCHOOLS

Notes to Financial Statements

OPEB Liabilities (Assets), 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 \$474,826 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 0.08394% which was a decrease of -0.00202% from its proportion measured as of September 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB benefit of \$848,864. 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	\$ -	\$ 3,588,030	\$ (3,588,030)
Changes in assumptions	1,057,046	127,288	929,758
Net difference between projected and actual earnings on OPEB plan investments	1,448	-	1,448
Changes in proportion and differences between employer contributions and proportionate share of contributions	169,409	130,386	39,023
	<u>1,227,903</u>	<u>3,845,704</u>	<u>(2,617,801)</u>
District contributions subsequent to the measurement date	606,031	-	606,031
	<u>606,031</u>	<u>-</u>	<u>606,031</u>
Total	<u>\$ 1,833,934</u>	<u>\$ 3,845,704</u>	<u>\$ (2,011,770)</u>

IDA PUBLIC SCHOOLS

Notes to Financial Statements

The amount reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) 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	\$ (850,609)
2026	(768,162)
2027	(312,368)
2028	(310,937)
2029	(248,306)
Thereafter	<u>(127,419)</u>
Total	<u>\$ (2,617,801)</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.

IDA PUBLIC SCHOOLS

Notes to Financial Statements

Mortality (continued)	Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
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%.

IDA PUBLIC SCHOOLS

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
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.

IDA PUBLIC SCHOOLS

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	\$ 36,215,112	\$ 26,806,211	\$ 18,972,960

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
District's proportionate share of the net OPEB liability (asset)	\$ 492,252	\$ (474,826)	\$ (1,305,935)

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 liability (asset) calculated using the assumed trend rates, as well as what the District's proportionate share of the net OPEB liability (asset) 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 liability (asset)	\$ (1,308,007)	\$ (474,826)	\$ 426,949

IDA PUBLIC SCHOOLS

Notes to Financial Statements

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 \$447,308 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 \$52,454 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2024.

14. CONTINGENCIES

Under the terms of various Federal and State grants and regulatory requirements, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement to the grantor or regulatory agencies. However, management does not believe such disallowances, if any, will be material to the financial position of the District.

As is the case with other entities, the District faces exposure from potential claims and legal proceedings involving environmental matters. No such claims or proceedings have been asserted as of June 30, 2024.

15. NET INVESTMENT IN CAPITAL ASSETS

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

Capital assets, net	\$ 6,601,341
Bonds payable	(7,265,000)
Unamortized bond premium	(607,311)
Unspent bond proceeds	6,456,301
Lease payable (note 9)	(5,202)
Subscriptions payable (note 10)	<u>(2,878)</u>
Net investment in capital assets	<u>\$ 5,177,251</u>

IDA PUBLIC SCHOOLS

Notes to Financial Statements

16. REPORTING UNITS AFFECTED BY ADJUSTMENTS TO BEGINNING BALANCES

The District previously reported the general capital projects fund as major. The general capital projects fund no longer met the quantitative threshold for major funds in accordance with GAAP, for the fiscal year ended June 30, 2024.

	General Capital Projects	Nonmajor Governmental Funds
June 30, 2023, as previously reported	\$ 975,966	\$ 1,168,534
Change from major to nonmajor fund	<u>(975,966)</u>	<u>975,966</u>
June 30, 2023, as adjusted	<u>\$ -</u>	<u>\$ 2,144,500</u>



REQUIRED SUPPLEMENTARY INFORMATION

IDA 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	\$ 26,806,211	\$ 31,674,263	\$ 19,910,042	\$ 28,389,082
District's proportion of the net pension liability	0.08282%	0.08422%	0.08410%	0.08264%
District's covered payroll	\$ 8,418,414	\$ 8,340,503	\$ 7,640,543	\$ 7,395,275
District's proportionate share of the net pension liability as a percentage of its covered payroll	318.42%	379.76%	260.58%	383.88%
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
\$ 27,095,026	\$ 25,306,569	\$ 22,180,176	\$ 21,149,294	\$ 19,867,402	\$ 17,800,774
0.08182%	0.08418%	0.08559%	0.08477%	0.08134%	0.08082%
\$ 7,065,175	\$ 7,077,133	\$ 7,146,517	\$ 7,291,507	\$ 6,791,702	\$ 6,881,132
383.50%	357.58%	310.36%	290.05%	292.52%	258.69%
60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

IDA PUBLIC SCHOOLS

Required Supplementary Information

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

	Year Ended June 30,			
	2024	2023	2022	2021
Statutorily required contribution	\$ 3,486,039	\$ 2,996,210	\$ 2,847,224	\$ 2,534,147
Contributions in relation to the statutorily required contribution	<u>(3,486,039)</u>	<u>(2,996,210)</u>	<u>(2,847,224)</u>	<u>(2,534,147)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,870,724	\$ 8,451,446	\$ 8,428,045	\$ 7,643,531
Contributions as a percentage of covered payroll	39.30%	35.45%	33.78%	33.15%

See notes to required supplementary information.



Year Ended June 30,					
2020	2019	2018	2017	2016	2015
\$ 2,254,109	\$ 2,172,726	\$ 2,302,902	\$ 2,010,231	\$ 1,878,044	\$ 1,539,226
<u>(2,254,109)</u>	<u>(2,172,726)</u>	<u>(2,302,902)</u>	<u>(2,010,231)</u>	<u>(1,878,044)</u>	<u>(1,539,226)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,380,355	\$ 7,099,173	\$ 7,075,566	\$ 7,141,108	\$ 7,052,931	\$ 6,769,076
30.54%	30.61%	32.55%	28.15%	26.63%	22.74%

IDA PUBLIC SCHOOLS

Required Supplementary Information

MPSERS Cost-Sharing Multiple Employer Plan
 Schedule of the District's Proportionate Share of the
 Net Other Postemployment Benefit Liability (Asset)

	Year Ended June 30,			
	2024	2023	2022	2021
District's proportionate share of the net OPEB liability (asset)	\$ (474,826)	\$ 1,820,712	\$ 1,293,981	\$ 4,480,411
District's proportion of the net OPEB liability (asset)	0.08394%	0.08596%	0.08477%	0.08363%
District's covered payroll	\$ 8,418,414	\$ 8,340,503	\$ 7,640,543	\$ 7,395,275
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-5.64%	21.83%	16.94%	60.58%
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

\$ 5,811,563	\$ 6,608,053	\$ 7,594,203
0.08097%	0.08313%	0.08576%
\$ 7,065,175	\$ 7,077,133	\$ 7,146,517
82.26%	93.37%	106.26%
48.46%	42.95%	36.39%

IDA PUBLIC SCHOOLS

Required Supplementary Information

MPSERS Cost-Sharing Multiple Employer Plan

Schedule of the District's Other Postemployment Benefit Contributions

	Year Ended June 30,			
	2024	2023	2022	2021
Statutorily required contribution	\$ 692,494	\$ 651,285	\$ 648,291	\$ 633,819
Contributions in relation to the statutorily required contribution	(692,494)	(651,285)	(648,291)	(633,819)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 8,870,724	\$ 8,451,446	\$ 8,428,045	\$ 7,643,531
Contributions as a percentage of covered payroll	7.81%	7.71%	7.69%	8.29%

See notes to required supplementary information.



Year Ended June 30,		
2020	2019	2018
\$ 590,056	\$ 548,572	\$ 523,720
<u>(590,056)</u>	<u>(548,572)</u>	<u>(523,720)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,380,355	\$ 7,099,173	\$ 7,075,566
7.99%	7.73%	7.40%

IDA 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.

IDA PUBLIC SCHOOLS

Notes to Required Supplementary Information

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 (Asset) 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%.
- 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%.

This page intentionally left blank.

**COMBINING FUND
FINANCIAL STATEMENTS**

IDA PUBLIC SCHOOLS

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2024

	Special Revenue			Debt Service
	Food Service	Community Recreation	Student Activities	2024 Bond
Assets				
Cash and cash equivalents	\$ 969,443	\$ 12,058	\$ 336,716	\$ -
Accounts receivable	12,466	-	-	-
Due from other funds	-	3,527	-	-
Due from other governments	27,273	-	496	-
Total assets	<u>\$ 1,009,182</u>	<u>\$ 15,585</u>	<u>\$ 337,212</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ 9,448	\$ -	\$ 3,069	\$ -
Due to other funds	12,968	-	-	-
Accrued salaries payable	613	-	490	-
Other accrued liabilities	4,979	-	608	-
Unearned revenue	12,642	-	-	-
Total liabilities	<u>40,650</u>	<u>-</u>	<u>4,167</u>	<u>-</u>
Fund balances				
Nonspendable -				
Endowments	-	-	-	-
Restricted for:				
Food service	968,532	-	-	-
Scholarships	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Committed for:				
Capital projects	-	-	-	-
Community recreation	-	15,585	-	-
Student/school activities	-	-	333,045	-
Total fund balances	<u>968,532</u>	<u>15,585</u>	<u>333,045</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,009,182</u>	<u>\$ 15,585</u>	<u>\$ 337,212</u>	<u>\$ -</u>



Capital Projects			Permanent	Total Nonmajor Governmental Funds
General	Sinking Fund	Track Construction	Scholarships	
\$ 1,259,875	\$ 343,193	\$ 93,670	\$ 5,060	\$ 3,020,015
-	-	-	-	12,466
-	-	-	-	3,527
-	-	-	-	27,769
<u>\$ 1,259,875</u>	<u>\$ 343,193</u>	<u>\$ 93,670</u>	<u>\$ 5,060</u>	<u>\$ 3,063,777</u>
\$ -	\$ -	\$ -	\$ -	\$ 12,517
19,184	-	-	-	32,152
-	-	-	-	1,103
-	-	-	-	5,587
-	-	-	-	12,642
<u>19,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,001</u>
-	-	-	5,000	5,000
-	-	-	-	968,532
-	-	-	60	60
-	343,193	-	-	343,193
-	-	-	-	-
1,240,691	-	93,670	-	1,334,361
-	-	-	-	15,585
-	-	-	-	333,045
<u>1,240,691</u>	<u>343,193</u>	<u>93,670</u>	<u>5,060</u>	<u>2,999,776</u>
<u>\$ 1,259,875</u>	<u>\$ 343,193</u>	<u>\$ 93,670</u>	<u>\$ 5,060</u>	<u>\$ 3,063,777</u>

IDA PUBLIC SCHOOLS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Special Revenue			Debt Service
	Food Service	Community Recreation	Student Activities	2024 Bond
Revenues				
Local sources	\$ 119,034	\$ 9,782	\$ 254,415	\$ -
State sources	698,058	-	496	-
Federal sources	438,328	-	-	-
Interdistrict sources and other	134,813	-	-	-
Interest revenue	12,776	-	4,262	-
Total revenues	1,403,009	9,782	259,173	-
Expenditures				
Current:				
Supporting services	-	-	215,173	-
Food service	1,101,974	-	-	-
Community recreation	-	8,590	-	-
Debt service -				
Bond issuance costs	-	-	-	161,123
Capital outlay	108,815	-	-	-
Total expenditures	1,210,789	8,590	215,173	161,123
Revenues over (under) expenditures	192,220	1,192	44,000	(161,123)
Other financing sources (uses)				
Transfers in	-	-	-	161,123
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	161,123
Net change in fund balances	192,220	1,192	44,000	-
Fund balances, beginning of year as previously reported	776,312	14,393	289,045	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-
Fund balances, beginning of year as adjusted	776,312	14,393	289,045	-
Fund balances, end of year	\$ 968,532	\$ 15,585	\$ 333,045	\$ -

Capital Projects			Permanent	Total Nonmajor Governmental Funds
General	Sinking Fund	Track Construction	Scholarships	
\$ -	\$ 1,049,529	\$ -	\$ -	\$ 1,432,760
-	-	-	-	698,554
-	-	-	-	438,328
-	-	-	-	134,813
6,270	18,814	-	-	42,122
6,270	1,068,343	-	-	2,746,577
67,659	-	-	54	282,886
-	-	-	-	1,101,974
-	-	-	-	8,590
-	-	-	-	161,123
290,231	725,150	-	-	1,124,196
357,890	725,150	-	54	2,678,769
(351,620)	343,193	-	(54)	67,808
616,345	-	10,000	-	787,468
-	-	-	-	-
616,345	-	10,000	-	787,468
264,725	343,193	10,000	(54)	855,276
-	-	83,670	5,114	1,168,534
975,966	-	-	-	975,966
975,966	-	83,670	5,114	2,144,500
\$ 1,240,691	\$ 343,193	\$ 93,670	\$ 5,060	\$ 2,999,776

This page intentionally left blank.

SINGLE AUDIT ACT COMPLIANCE

This page intentionally left blank.

**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

September 25, 2024

Board of Education
Ida Public Schools
Ida, Michigan

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ida 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. We issued our report thereon dated September 25, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Rehmann Loborn LLC



This page intentionally left blank.

This page intentionally left blank.

IDA PUBLIC SCHOOLS

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-Through Grantor's Number	Approved Award/Grant Amount
U.S. Department of Agriculture				
Child Nutrition Cluster:				
School Breakfast Program:				
2022-2023	10.553	MDE	231970	\$ 60,968
2023-2024	10.553	MDE	241970	86,478
National School Lunch Program:				
Bonus Commodities (non-cash assistance)	10.555	MDE	-n/a-	490
Entitlement Commodities (non-cash assistance)	10.555	MDE	-n/a-	61,345
Food Service Supply Chain:				
2023-2024	10.555	MDE	240910	40,365
School Lunch Program:				
2022-2023	10.555	MDE	231960	232,389
2023-2024	10.555	MDE	241960	221,798
Total Child Nutrition Cluster				
Child and Adult Care Food Program (CACFP) -				
2023-2024	10.558	MDE	241920	870
Total U.S. Department of Agriculture				
U.S. Department of Education				
Grants to Local Educational Agencies:				
Title I, Part A - Improving Basic Programs				
2022-2023	84.010	MDE	231530-2223	65,115
2022-2023 Carryover	84.010	MDE	231530-2223	50
2023-2024	84.010	MDE	241530-2324	73,596
Career and Technical Education - Basic Grants to States -				
Perkins District Allocation 2023-2024	84.048	MISD	-n/a-	23,011
Education for Homeless Children and Youth -				
2023-2024	84.196A	MISD	212320-2021	325



(Memo Only) Prior Years Expenditures	Accrued (Unearned) Revenue at July 1, 2023	Current Year Receipts	Current Year Expenditures	Accrued (Unearned) Revenue at June 30, 2024
--------------------------------------------	-----------------------------------------------------	-----------------------------	---------------------------------	------------------------------------------------------

\$ 53,751	\$ -	\$ 7,217	\$ 7,217	\$ -
-	-	86,478	86,478	-
53,751	-	93,695	93,695	-

-	-	490	490	-
-	-	61,345	61,345	-
-	-	40,365	40,365	-
212,624	-	19,765	19,765	-
-	-	221,798	221,798	-
212,624	-	343,763	343,763	-

266,375	-	437,458	437,458	-
-	-	870	870	-
266,375	-	438,328	438,328	-

40,265	24,850	24,850	-	-
-	-	50	50	-
-	-	12,134	73,145	61,011
40,265	24,850	37,034	73,195	61,011

-	-	8,699	23,011	14,312
---	---	-------	--------	--------

75	75	325	250	-
----	----	-----	-----	---

continued...

IDA PUBLIC SCHOOLS

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-Through Grantor's Number	Approved Award/Grant Amount
U.S. Department of Education (continued)				
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) - Title II, Part A - Improving Teacher Quality:				
2022-2023	84.367A	MDE	230520-2223	\$ 22,038
2022-2023 Carryover	84.367A	MDE	230520-2223	4,784
2023-2024	84.367A	MDE	240520-2324	38,897
Student Support and Academic Enrichment Program - Title IV, Part A:				
2022-2023	84.424A	MDE	230750-2223	10,000
2023-2024	84.424A	MDE	240750-2324	10,000
COVID-19 - Education Stabilization Fund: Elementary and Secondary School Emergency Relief (ESSER) Fund:				
ESSER 98c Learning Loss	84.425D	MDE	213782-2223	74,425
ESSER Summer 23(b) 2A	84.425D	MDE	213722	74,250
ESSER Summer 23(b) 2B	84.425D	MDE	213742	17,600
ARP/ESSER Formula III	84.425U	MDE	213713-2122	270,165
Section 11t Equalization	84.425U	MDE	213723-2122	1,295,525
ARP Homeless II	84.425W	MISD	211012-2122	25
ARP Homeless II	84.425W	MDE	211012-2122	8,008
Total U.S. Department of Education				
U.S. Department of Health and Human Services				
Medicaid Cluster - Medical Assistance Program	93.778	MISD	-n/a-	6,749
Total Federal Financial Assistance				

See notes to schedule of expenditures of federal awards.

(Memo Only) Prior Years Expenditures	Accrued (Unearned) Revenue at July 1, 2023	Current Year Receipts	Current Year Expenditures	Accrued (Unearned) Revenue at June 30, 2024
\$ 13,834	\$ 8,204	\$ 8,204	\$ -	\$ -
-	-	4,784	4,784	-
-	-	4,721	11,383	6,662
<u>13,834</u>	<u>8,204</u>	<u>17,709</u>	<u>16,167</u>	<u>6,662</u>
8,093	7,381	7,381	-	-
-	-	5,388	10,000	4,612
<u>8,093</u>	<u>7,381</u>	<u>12,769</u>	<u>10,000</u>	<u>4,612</u>
74,425	74,425	74,425	-	-
43,774	30,476	30,476	-	-
17,600	10,479	10,479	-	-
270,165	102,807	102,807	-	-
670,577	454,936	778,487	593,750	270,199
-	-	25	25	-
1,649	1,649	1,649	3,220	3,220
<u>1,078,190</u>	<u>674,772</u>	<u>998,348</u>	<u>596,995</u>	<u>273,419</u>
<u>1,140,457</u>	<u>715,282</u>	<u>1,074,884</u>	<u>719,618</u>	<u>360,016</u>
-	-	6,749	6,749	-
<u>\$ 1,406,832</u>	<u>\$ 715,282</u>	<u>\$ 1,519,961</u>	<u>\$ 1,164,695</u>	<u>\$ 360,016</u>

concluded.

IDA PUBLIC SCHOOLS

Notes to Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Cash received is recorded on the cash basis; expenditures are recorded on the modified accrual basis of accounting. Revenues are recognized when the qualifying expenditures have been incurred and all grant requirements have been met.

The Schedule has been arranged to provide information on both actual cash received and the revenue recognized. Accordingly, the effects of accruals of accounts receivable, unearned revenue, and accounts payable items at both the beginning and end of the fiscal year have been reported.

Expenditures are in agreement with amounts reported in the financial statements and the financial reports. The amounts reported on the Grant Auditor Report reconcile with this Schedule.

2. 10% DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the District has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. RECONCILIATION TO BASIC FINANCIAL STATEMENTS

A reconciliation of revenues from federal sources per governmental funds financial statements and expenditures per single audit act compliance schedule of expenditures of federal awards is as follows:

Federal revenues as reported in the financial statements	\$ 1,169,317
Federal USAC reimbursement not subject to requirements of §2 CFR 200 Subpart F	<u>(4,622)</u>
Expenditures per schedule of expenditures of federal awards	<u><u>\$ 1,164,695</u></u>

IDA PUBLIC SCHOOLS

Notes to Schedule of Expenditures of Federal Awards

4. PASS-THROUGH AGENCIES

The District receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
MDE	Michigan Department of Education
MISD	Monroe Intermediate School District



This page intentionally left blank.

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

September 25, 2024

Board of Education
Ida Public Schools
Ida, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ida 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, and have issued our report thereon dated September 25, 2024.

Report on Internal Control Over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of this Report

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

Rehmann Lobson LLC

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

September 25, 2024

Board of Education
Ida Public Schools
Ida, Michigan

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the compliance of **Ida Public Schools** (the "District") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2024. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

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

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



Responsibilities of Management for Compliance

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

Independent Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Independent Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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



This page intentionally left blank.

IDA PUBLIC SCHOOLS

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over the major program:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? X yes none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of the major program and type of auditor's report issued on compliance for the major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
10.553 and 10.555	Child Nutrition Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

IDA PUBLIC SCHOOLS

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2024-001 – Procurement, Suspension and Debarment - Documentation of Price/Rate Quotations

Finding Type. Immaterial Noncompliance; Significant Deficiency in Internal Controls over Compliance

Federal program(s)

U.S. Department of Education -

- Child Nutrition Cluster (10.553 and 10.555); Passed through the Michigan Department of Education; All project numbers.

Criteria. The Uniform Guidance requires non-federal entities must have and use documented procurement procedures as required under 2 CFR 200.320. For purchases in excess of the micro-purchase threshold, non-federal entities must at minimum obtain price or rate quotations from an adequate number of qualified sources as determined appropriate by the non-Federal entity and must be able to document the price or rate quotations obtained as part of this process.

Condition. Of the five vendors tested for compliance with procurement requirements, the District could not provide documentation of compliance with procurement standards for one of the vendors tested. While the District appears to have made an informal effort to ensure that costs were reasonable by contacting its group purchasing vendor, the District did not issue or document price and/or rate quotations as required.

Cause. The District does not have the proper internal controls in place to ensure that all procurement contracts awarded to vendors have complied with federal requirements for allowable procurement methods.

Effect. The District could not properly document compliance with federal requirements for informal procurement methods as required under Uniform Guidance.

Questioned Costs. None.

Recommendation. We recommend that the District reviews its policies and procedures to ensure that applicable procurement requirements are followed and documented when the District enters into new contracts or procurement arrangements with vendors for goods and/or services on federal programs.

View of Responsible Officials. District officials will review the District's internal procedures to ensure future compliance with and appropriate documentation of Uniform Guidance procurement requirements with respect to vendor relationships.

Responsible Official. Business Manager

Estimated Completion Date. June 30, 2025

IDA PUBLIC SCHOOLS

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2024

None reported.



This page intentionally left blank.