

INGHAM INTERMEDIATE SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2024

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2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
☎ 517.323.7500
📠 517.323.6346

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Ingham Intermediate School District

Opinions

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ingham Intermediate School 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 Ingham Intermediate School 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 other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2024 on our consideration of Ingham Intermediate School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ingham Intermediate School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ingham Intermediate School District's internal control over financial reporting and compliance.

Maney Costeiran PC

September 25, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Ingham Intermediate School District's (ISD) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section. A comparative analysis with the prior year has been provided.

FINANCIAL HIGHLIGHTS

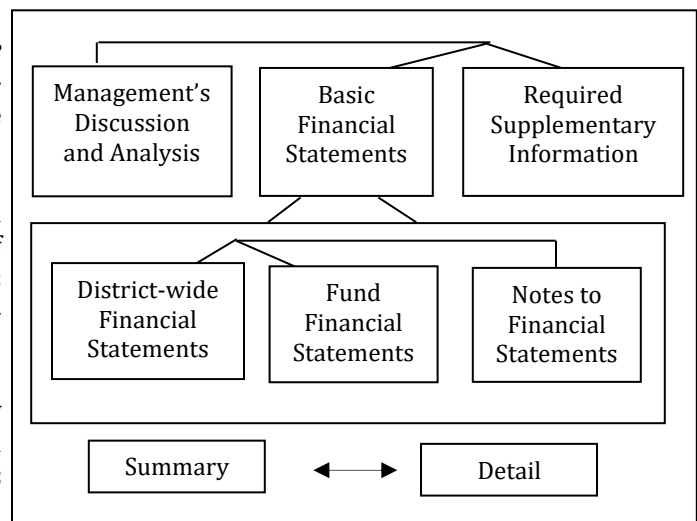
- Total General Education Fund revenues and other financing sources were \$59.1 million and expenditures and other financing uses were \$58.3 million. Revenues for the 2023-24 year increased 22% and expenditures and other financing uses increased 22% from the previous year's amounts. The increase in both revenue and expenditures was mostly due to increase in pass-through grant funding and an increase in usage of the regionalized substitute teacher consortium.
- Total Special Education Fund revenues were \$99.2 million and expenditures and other financing uses were \$99.2 million. Revenues for the 2023-24 year increased 6.2% and expenditures and other financing uses increased 6.2% from the previous year amounts.
- Total Career and Technical Education Fund revenues were \$15.1 million and expenditures and other financing uses were \$14.4 million. Revenues for the 2023-24 year increased 3.9% and expenditures and other financing uses increased 1.8% from the previous year amounts.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

Figure A-1
Organization of Ingham Intermediate
School District's Annual Financial
Report

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
- The *governmental funds* statements tell how basic services like general and special education were financed in the short-term as well as what remains for future spending.



- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as the trustee or agent for the benefit of others.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budgets for the year and pension liability and other postemployment benefit asset related information. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-2 Major Features of District-wide and Fund Financial Statements			
Scope	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
	Entire District (except fiduciary funds)	The activities of the District that are not fiduciary: General, Special Education, Career and Technical Education, and the Debt Service, Capital Projects, and Student/School Activities funds	Instances in which the District administers resources on behalf of someone else, such as professional organizations and student activities monies
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures and changes in fund balances	* Statement of fiduciary net position * Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term, the District's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

DISTRICT-WIDE FINANCIAL STATEMENTS

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The District-wide financial statements reflect the District's governmental activities.

Governmental Activities - Most of the District's basic services are included here, such as general education, special education, and career and technical education. Property taxes, state aid, grants, and user fees finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are the accounting method used by the District to keep track of specific sources of funding and spending on particular programs:

- State law requires some funds.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District has two kinds of funds:

- **Governmental Funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information with the governmental funds statements that explain the relationship (or differences) between them.
- **Fiduciary Funds** - Fiduciary funds are for assets that belong to others, such as certain educational groups and student scholarship funds where the District is the trustee or fiduciary. The District cannot use these assets to finance its operations, but, it is responsible to ensure that these funds are used for their intended purposes. Only measurable and currently available funds are reported. Liabilities to beneficiaries are recognized when an event has occurred that compels the District to disburse fiduciary resources.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position - Ingham ISD's combined net position as of June 30, 2024 and 2023 changed as shown below.

Table A-3
Ingham Intermediate School District's Net Position
Net Position

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets	\$ 73,829,337	\$ 55,222,296
Net other postemployment benefits asset	1,603,535	-
Noncurrent assets	<u>29,461,103</u>	<u>24,518,290</u>
TOTAL ASSETS	<u>104,893,975</u>	<u>79,740,586</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>33,007,832</u>	<u>39,289,626</u>
LIABILITIES		
Current liabilities	47,516,644	27,286,064
Noncurrent liabilities	12,718,776	14,514,978
Net other postemployment benefit liability	-	5,795,912
Net pension liability	<u>90,094,208</u>	<u>103,771,971</u>
TOTAL LIABILITIES	<u>150,329,628</u>	<u>151,368,925</u>
DEFERRED INFLOWS OF RESOURCES	<u>27,612,603</u>	<u>20,019,935</u>
NET POSITION		
Net investment in capital assets	17,649,536	14,483,744
Restricted	1,603,535	-
Unrestricted	<u>(59,293,495)</u>	<u>(66,842,392)</u>
TOTAL NET POSITION	<u>\$ (40,040,424)</u>	<u>\$ (52,358,648)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-4
Changes in Ingham Intermediate School District's Net Position

	<u>2024</u>	<u>2023</u>
REVENUES		
Program revenues		
Charges for services	\$ 20,278,415	\$ 18,860,039
Operating grants and contributions	47,858,016	38,222,585
General revenues		
Property taxes	65,428,561	61,591,137
State aid - unrestricted	30,165,006	23,893,946
Grants and other revenue - unrestricted to specific programs	5,120,072	5,834,758
Other	<u>6,216,420</u>	<u>4,852,256</u>
 TOTAL REVENUES	 <u>175,066,490</u>	 <u>153,254,721</u>
 EXPENSES		
Instruction	27,251,263	25,685,997
Support services	66,524,836	54,346,534
Community services	889,137	756,583
Student/school activities	9,054	13,495
Outgoing transfers and other	66,414,829	66,575,758
Interest on long-term debt	589,779	593,464
Unallocated depreciation/amortization	<u>1,069,368</u>	<u>1,091,760</u>
 TOTAL EXPENSES	 <u>162,748,266</u>	 <u>149,063,591</u>
 Change in net position	 <u><u>\$ 12,318,224</u></u>	 <u><u>\$ 4,191,130</u></u>

District Governmental Activities

The following factors have influenced Ingham ISD's financial status at June 30, 2024.

- The General Education fund experienced an overall increase in revenue and expenditures primarily related to an increase in grant funding through the continued expansion of the Great Start Readiness Program or GSRP, one-time pass through funding for a statewide initiative for cybersecurity, and an increase in usage of the substitute teacher regionalized consortium. In the prior year, there was a one-time pass through of funding to the retirement system. The district received a modest increase in property tax revenue and a significant increase in investment earnings.
- The Special Education Fund experienced a modest increase in property tax revenue generated from the existing levy and a significant increase in investment earnings. In the current year, there was a continued increase in State Aid revenue directed toward special education. There was also a new pass-through grant to develop statewide learning opportunities for school district administrators. In the prior year, there was a one-time pass through of funding to the retirement system. The existing Special Education ISD Plan with constituent districts provides for a targeted fund balance and cash flow, while maximizing payments to districts.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Career and Technical Education fund experienced a modest increase in property tax revenue and a significant increase in investment earnings. In the prior year, there was a one-time pass through of funding to the retirement system. The Career and Technical Education fund continued to transfer funds to cover multi-year construction projects.
- The 2022 Capital Projects fund, initiated in the 2021-22 fiscal year with a \$14.5 million non-voted bond, has recorded continued expenditures for a multi-year construction project aimed at enhancing facilities and learning environments for all students at Ingham ISD. The project will be completed during the 2024-25 school year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Ingham ISD completed the year with its governmental funds reporting *combined* fund balances of \$26,005,482, which is \$1,628,597 less than current year's combined beginning fund balance of \$27,634,079. The decrease is largely due to the planned construction project expenditures in the 2022 Capital Projects fund.

The General Education Fund had revenues which were \$758,922 higher than expenditures and other financing uses, which increased ending fund balance to \$7,629,193.

The fund balance in the Special Education Fund is, by design, a specific targeted amount. The ending fund balance at June 30, 2024 is \$443,225 which is the maintenance of the targeted amount. Available revenues in the Special Education fund are paid as outgoing transfers to constituent districts as reimbursement toward special education costs incurred in the districts.

The Career and Technical Education Fund had revenues higher than expenditures and other financing uses, which resulted in a fund balance increase of \$700,576 to \$6,917,497 at year end.

The fund balance in the 2003 Capital Projects Fund represents funds set aside for future capital needs of the District and this fund had an ending fund balance of \$9,072,706 at June 30, 2024. In 2023-24, and in future years, the capital projects transfers from the three operating funds will continue in conjunction with a multi-phased construction project and to help pay for current capital outlay needs.

The fund balance in the 2022 Capital Project Fund includes both non-voted bond proceeds issued and transfers from the three operating funds for Phase I of the multi-year construction project. The ending fund balance at June 30, 2024 was \$1,906,127 and will be reserved for the remaining Phase I project costs.

The 2011 and 2022 Debt Service Fund, which are non-major governmental funds, had expenditures equal to revenues and other financing sources and a zero-ending fund balance. The Student/School Activities Fund, which is a non-major governmental fund, had revenues that were \$935 more than expenditures, which increased ending fund balance to \$36,734.

General Fund Budgetary Highlights

The General Education fund ended the 2023-24 fiscal year with a fund balance of \$7,629,193. Total revenue and other financing sources of \$59,063,188 were greater than total expenditures of \$56,404,266 and other financing uses of \$1,900,000, resulting in a \$758,922 increase in fund balance for the year.

- Total revenues of \$59,063,188 were \$3,071,995 less than budgeted revenues of \$62,135,183, which represented a 4.9% budget variance.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Total expenditures of \$56,404,266 were \$3,763,943 less than budgeted expenditures of \$60,168,209, which represented a 6.3% budget variance.
- Other financing uses was budgeted at \$1,400,000 and actual was \$1,900,000.
- The net change in fund balance was budgeted at \$566,974 and the actual was \$758,922 or a positive budget variance of \$191,948.

Special Education Fund Budgetary Highlights

The Special Education Fund ended the 2023-24 fiscal year with a fund balance of \$443,225. Total revenues of \$99,156,338 equaled total expenditures and other financing uses of \$99,156,338, resulting in no change in fund balance for the year.

- Total revenues of \$99,156,338 were \$1,507,692 higher than budgeted revenues of \$97,648,646, which represented a 1.5% budget variance.
- Total expenditures of \$97,603,640 were \$1,489,202 higher than budgeted expenditures of \$96,114,438, which represented a 1.6% budget variance.
- Other financing uses was budgeted at \$1,534,208 and actual was \$1,552,698.
- The net change in fund balance was budgeted at \$0 and the actual was \$0. This is a result of a targeted fund balance amount, and that available revenues in the Special Education fund are paid as outgoing transfers to constituent districts.

Career and Technical Education Budgetary Highlights

The Career and Technical Education Fund ended the 2023-24 fiscal year with a fund balance of \$6,917,497. Total revenues of \$15,086,194 were more than total expenditures of \$12,885,618 combined with other financing uses of \$1,500,000, resulting in an increase in fund balance of \$700,576 for the year.

- Total revenues of \$15,086,194 were \$390,376 greater than budgeted revenues of \$14,695,818 which represented a 2.6% budget variance.
- Total expenditures of \$12,885,618 were \$337,242 less than budgeted expenditures of \$13,222,860, which equated to a 2.7% budget variance.
- Other financing uses was budgeted at \$1,000,000 and actual was \$1,500,000.
- The net change in fund balance was budgeted at an increase of \$472,958 and the actual was an increase of \$700,576, or a positive budget variance of \$227,618.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024 the District had a net investment of approximately \$29.46 million in a broad range of capital assets, including school buildings, computer equipment, right to use SBITA, and administrative offices (see Table A-5). This amount is net of accumulated depreciation/amortization of \$21.7 million. Depreciation/amortization expense for the year was \$1,069,368.

Table A-5
Ingham Intermediate School District's Capital Assets

	<u>2024</u>	<u>2023</u>
Land	\$ 373,292	\$ 373,292
Construction in progress	16,529,674	11,040,338
Site improvements	1,376,539	1,262,049
Buildings and additions	8,820,577	9,217,318
Right to use - subscription-based IT	59,685	161,485
Equipment	<u>2,301,336</u>	<u>2,463,808</u>
Total	<u>\$ 29,461,103</u>	<u>\$ 24,518,290</u>

The \$1.9 million fund balance in the 2022 Capital Projects Fund will be utilized to complete the Phase I project in the 2024-25 fiscal year. The District will continue to make transfers to the 2003 Capital Projects Fund for future capital improvements.

Long-term Obligations

At year-end the District had \$12.72 million in limited obligation bonds and other long-term debt outstanding, compared to \$14.51 million outstanding at the end of the prior year. The District repaid \$1,813,328 of principal during fiscal year 2023-24. A \$17,126 increase for the District's obligation for compensated absences was made during 2023-24.

FACTORS BEARING ON INGHAM ISD'S FUTURE

Property tax revenue is the primary source of funding for the three ISD operating funds. Recent years have provided modest growth of property tax values and related tax revenue which bears positively on Ingham ISD's financial future. In March 2020, a Headlee restoration millage was approved by voters that began with the 2020-21 tax collection and will continue providing approximately \$2.5 million of special education funds annually for 20 years to support the students, purchase equipment, and upgrade facilities for special education students attending public schools in the Ingham ISD service area.

The District continues to expand programs and services in some areas, based on requests for services from constituent districts, from specific grant revenues, and in anticipation of Career and Technical Education enrollment. Most new sources of funds are restricted in their use for specific activities and are not available for discretionary use. As a result, some areas of our budget have expanded to respond to constituent district needs and organizational focus, while other areas have been stable or contracted. We expect this trend to continue.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the 2024-25 school year, we conservatively planned for financial impacts of on-going staffing challenges and fluid state revenues as we continue to monitor and plan for future economic uncertainties that are impactful to our educational models we provide to our students and families throughout the year.

As of July 1, 2024, Ingham ISD assumed operational responsibility for center-based programming at the Beekman Center, previously managed by the Lansing School District. This transition has resulted in increased staffing and operational costs for Ingham ISD during the 2024-25 school year, while reducing similar expenses for the Lansing School District. These costs are absorbed by available revenues within the Special Education Fund. To support the financial impact of this service consolidation, Ingham ISD was awarded a one-time \$4.0 million grant from the Michigan Department of Education under the Section 12c Consolidation Grant program. This funding will assist us in streamlining resources, enhancing services, and providing high-quality educational support to students with disabilities across our service area during the transition period. Future financial planning related to the Beekman Center's facilities will be ongoing, ensuring that we optimize resources and continue to meet programmatic needs.

We are currently revising the Ingham ISD Special Education Plan, which originated in 1998 and was last updated in 2011. These revisions, pending approval from the Michigan Department of Education, include a phased-in approach to adjust the allocation methodology for distributing available revenues in the Special Education Fund to constituent districts as reimbursement for special education costs incurred. This change will not have a financial impact to the ISD but will help promote equity and inclusion in special education programming throughout our county. As part of the proposed changes, we aim to gradually increase the Special Education Fund's targeted balance from \$443,225 to a reserve level of 12%-15% of operating expenditures. This increase is intended to retain a financial buffer for unexpected needs at the ISD, ensuring continued stability and support for our programs.

Since the 2021-22 fiscal year, we have been executing Phase I of our Additions and Remodeling project as part of the Long-Term Capital Plan. This project, estimated at \$20 million, is funded primarily through a \$14 million non-voted bond issuance completed in June 2022, supplemented by existing capital projects funds. The initiative represents a critical investment in our infrastructure, aimed at enhancing our facilities to better serve the needs of our students and staff. The project is on track for completion in 2024-2025 and has provided updated spaces that align with our commitment to delivering high-quality educational environments.

Ingham ISD's administration and Board of Education will continue to engage in strategic planning and resource allocation processes which maintain our financial viability, while at the same time position the District to respond to constituent needs. We are committed to fulfilling our mission to lead and serve for the achievement and success of all learners.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Office, Ingham Intermediate School District, 2630 W. Howell Road, Mason, MI 48854.

BASIC FINANCIAL STATEMENTS

**INGHAM INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 10,113,752
Investments	34,921,903
Receivables	
Accounts receivable	4,104,174
Interest receivable	58,734
Intergovernmental receivable	23,709,695
Property taxes receivable	428,689
Prepays	492,390
Net other postemployment benefits assets	1,603,535
Capital assets not being depreciated/amortized	16,902,966
Capital assets, net of accumulated depreciation/amortization	<u>12,558,137</u>
TOTAL ASSETS	<u>104,893,975</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to other postemployment benefits	6,281,288
Related to pensions	<u>26,726,544</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>33,007,832</u>
LIABILITIES	
Accounts payable	7,693,288
Accrued interest	113,848
Accrued salaries and related items	2,327,184
Accrued retirement	2,077,219
Due to local school districts	5,886,512
Unearned revenue	25,112,386
Intergovernmental	918,063
Accrued for school based health services	3,388,144
Noncurrent liabilities	
Due within one year	1,849,892
Due in more than one year	10,868,884
Net pension liability	<u>90,094,208</u>
TOTAL LIABILITIES	<u>150,329,628</u>
DEFERRED INFLOWS OF RESOURCES	
Related to other postemployment benefits	12,742,046
Related to pensions	9,248,316
Related to state aid funding for pensions	<u>5,622,241</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>27,612,603</u>
NET POSITION	
Net investment in capital assets	17,649,536
Restricted for net other postemployment benefits	1,603,535
Unrestricted	<u>(59,293,495)</u>
TOTAL NET POSITION	<u><u>\$ (40,040,424)</u></u>

See notes to financial statements.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 27,251,263	\$ 15,296,216	\$ 6,352,238	\$ (5,602,809)
Support services	66,524,836	4,982,199	18,372,535	(43,170,102)
Community services	889,137	-	935,541	46,404
Student/school activities	9,054	-	9,989	935
Outgoing transfer and other transactions	66,414,829	-	22,162,056	(44,252,773)
Interest on long-term debt	589,779	-	25,657	(564,122)
Unallocated depreciation/amortization	1,069,368	-	-	(1,069,368)
Total governmental activities	<u>\$ 162,748,266</u>	<u>\$ 20,278,415</u>	<u>\$ 47,858,016</u>	<u>(94,611,835)</u>
General revenues				
Property taxes, levied for general purposes				2,210,887
Property taxes, levied for special education				52,530,420
Property taxes, levied for career and technical education				10,687,254
State sources - unrestricted				30,165,006
Grants and other revenue not restricted to specific programs				5,120,072
Interest income				2,473,499
Other				<u>3,742,921</u>
Total general revenues				<u>106,930,059</u>
CHANGE IN NET POSITION				12,318,224
NET POSITION				
Beginning of year				<u>(52,358,648)</u>
End of year				<u>\$ (40,040,424)</u>

See notes to financial statements.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

		Special Revenue					
	General Fund	Special Education Fund	Career and Technical Education Fund	2003 Capital Projects	2022 Capital Projects	Total Nonmajor Fund	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 1,025,029	\$ 521,734	\$ 310,859	\$ 5,502,817	\$ 2,716,579	\$ 36,734	\$ 10,113,752
Investments	14,343,072	7,936,739	12,462,936	179,156	-	-	34,921,903
Accounts receivable	2,285,566	1,803,707	14,901	-	-	-	4,104,174
Interest receivable	17,384	28,777	12,573	-	-	-	58,734
Intergovernmental receivable	10,410,986	12,698,891	599,818	-	-	-	23,709,695
Due from other funds	-	-	-	3,400,000	-	-	3,400,000
Property taxes receivable	14,062	380,233	34,394	-	-	-	428,689
Prepays and other	65,069	369,448	57,873	-	-	-	492,390
TOTAL ASSETS	\$ 28,161,168	\$ 23,739,529	\$ 13,493,354	\$ 9,081,973	\$ 2,716,579	\$ 36,734	\$ 77,229,337
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 4,062,898	\$ 2,726,956	\$ 83,715	\$ 9,267	\$ 810,452	\$ -	\$ 7,693,288
Accrued salaries and related items	419,087	1,417,861	490,236	-	-	-	2,327,184
Accrued retirement	364,375	1,348,299	364,545	-	-	-	2,077,219
Due to local school districts	-	5,886,512	-	-	-	-	5,886,512
Intergovernmental	-	918,063	-	-	-	-	918,063
Due to other funds	-	3,000,000	400,000	-	-	-	3,400,000
Unearned revenue	15,671,809	4,236,298	5,204,279	-	-	-	25,112,386
Accrued for school based health services	-	3,388,144	-	-	-	-	3,388,144
TOTAL LIABILITIES	20,518,169	22,922,133	6,542,775	9,267	810,452	-	50,802,796
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	13,806	374,171	33,082	-	-	-	421,059
FUND BALANCES							
Nonspendable							
Prepays and other	65,069	369,448	57,873	-	-	-	492,390

See notes to financial statements.

	Special Revenue			2003 Capital Projects	2022 Capital Projects	Total Nonmajor Fund	Total Governmental Funds
	General Fund	Special Education Fund	Career and Technical Education Fund				
FUND BALANCES (continued)							
Restricted for:							
Special education	\$ -	\$ 73,777	\$ -	\$ -	\$ -	\$ -	\$ 73,777
Career and technical education fund	-	-	6,859,624	-	-	-	6,859,624
Committed for:							
Student/school activities	-	-	-	-	-	36,734	36,734
Capital projects	-	-	-	-	1,906,127	-	1,906,127
Assigned for:							
Capital projects fund	-	-	-	9,072,706	-	-	9,072,706
Unassigned	7,564,124	-	-	-	-	-	7,564,124
TOTAL FUND BALANCES	7,629,193	443,225	6,917,497	9,072,706	1,906,127	36,734	26,005,482
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 28,161,168	\$ 23,739,529	\$ 13,493,354	\$ 9,081,973	\$ 2,716,579	\$ 36,734	\$ 77,229,337

Total governmental fund balances \$ 26,005,482

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

Deferred outflows of resources - related to pensions	26,726,544
Deferred outflows of resources - related to other postemployment benefit	6,281,288
Deferred inflows of resources - related to pensions	(9,248,316)
Deferred inflows of resources - related to other postemployment benefit	(12,742,046)
Deferred inflows of resources - related to state aid funding for pensions	(5,622,241)

Some assets are not current financial resources and therefore are not reported
in the Governmental Funds Balance Sheet. Noncurrent assets at year-end consists of:

Net other postemployment benefits asset	1,603,535
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Capital assets used in governmental activities are not
financial resources and are not reported in the funds:

The cost of the capital assets is	\$ 51,140,158
Accumulated depreciation/amortization is	<u>(21,679,055)</u>
	29,461,103

Unavailable revenue expected to be collected after September 1st

421,059

Long-term liabilities are not due and payable in the current
period and are not reported in the funds:

Bonds and direct borrowing and direct placement	(11,811,567)
Accrued interest	(113,848)
Compensated absences	(907,209)
Net pension liability	<u>(90,094,208)</u>

Net position of governmental activities \$ (40,040,424)

See notes to financial statements.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

		Special Revenue					
	General Fund	Special Education Fund	Career and Technical Education Fund	2003 Capital Projects	2022 Capital Projects	Total Nonmajor Fund	Total Governmental Funds
REVENUES							
Local sources							
Property taxes	\$ 2,210,322	\$ 52,524,123	\$ 10,705,773	\$ -	\$ -	\$ -	\$ 65,440,218
Student/school activities	-	-	-	-	-	9,989	9,989
Interest income	672,471	1,075,899	472,204	9,377	243,548	-	2,473,499
Other	3,633,402	5,231,016	242,820	17,552	108,809	-	9,233,599
Total local sources	6,516,195	58,831,038	11,420,797	26,929	352,357	9,989	77,157,305
State sources	5,223,864	22,213,222	2,614,955	-	-	-	30,052,041
Federal sources	-	486,499	-	-	-	25,657	512,156
Incoming transfers and other transactions	17,242,406	464,093	470,281	-	-	-	18,176,780
	28,982,465	81,994,852	14,506,033	26,929	352,357	35,646	125,898,282
Grants (see Note 7 Grants)	30,080,723	17,161,486	580,161	-	-	-	47,822,370
TOTAL REVENUES	59,063,188	99,156,338	15,086,194	26,929	352,357	35,646	173,720,652
EXPENDITURES							
Instruction	14,815,257	1,986,873	5,960,645	-	-	-	22,762,775
Supporting services	10,387,889	35,326,477	5,933,651	-	-	-	51,648,017
Student/school activities	-	-	-	-	-	9,054	9,054
Outgoing transfers and other	1,120,397	43,128,804	411,161	268,992	5,980,428	2,197,251	53,107,033
	26,323,543	80,442,154	12,305,457	268,992	5,980,428	2,206,305	127,526,879
Grants (see Note 7 Grants)	30,080,723	17,161,486	580,161	-	-	-	47,822,370
TOTAL EXPENDITURES	56,404,266	97,603,640	12,885,618	268,992	5,980,428	2,206,305	175,349,249

See notes to financial statements.

		Special Revenue					
	General Fund	Special Education Fund	Career and Technical Education Fund	2003 Capital Projects	2022 Capital Projects	Total Nonmajor Fund	Total Governmental Funds
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 2,658,922</u>	<u>\$ 1,552,698</u>	<u>\$ 2,200,576</u>	<u>\$ (242,063)</u>	<u>\$ (5,628,071)</u>	<u>\$ (2,170,659)</u>	<u>\$ (1,628,597)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	4,952,698	-	2,171,594	7,124,292
Transfers out	<u>(1,900,000)</u>	<u>(1,552,698)</u>	<u>(1,500,000)</u>	<u>(2,171,594)</u>	-	-	<u>(7,124,292)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,900,000)</u>	<u>(1,552,698)</u>	<u>(1,500,000)</u>	<u>2,781,104</u>	-	<u>2,171,594</u>	-
NET CHANGE IN FUND BALANCES	758,922	-	700,576	2,539,041	(5,628,071)	935	(1,628,597)
FUND BALANCES							
Beginning of year	<u>6,870,271</u>	<u>443,225</u>	<u>6,216,921</u>	<u>6,533,665</u>	<u>7,534,198</u>	<u>35,799</u>	<u>27,634,079</u>
End of year	<u><u>\$ 7,629,193</u></u>	<u><u>\$ 443,225</u></u>	<u><u>\$ 6,917,497</u></u>	<u><u>\$ 9,072,706</u></u>	<u><u>\$ 1,906,127</u></u>	<u><u>\$ 36,734</u></u>	<u><u>\$ 26,005,482</u></u>

See notes to financial statements.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances Total Governmental Funds \$ (1,628,597)

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

Governmental funds report capital outlays as expenditures in the statement of activities.

These costs are allocated over their estimated useful lives as depreciation/amortization:

Depreciation/amortization expense	(1,069,368)
Capital outlay	6,024,460
Loss on disposal of capital assets	(12,279)

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

Accrued interest payable, beginning of year	130,563
Accrued interest payable, end of year	(113,848)

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

Payments on debt	1,813,328
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Revenue is recorded on the accrual method in the statement of activities. In the governmental funds it is recorded on the modified accrual method and not considered available:

Unavailable revenue, beginning of year	(432,716)
Unavailable revenue, end of year	421,059

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

Compensated absences, beginning of the year	890,083
Compensated absences, end of the year	(907,209)

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

Other postemployment benefit related items	5,124,226
Pension related items	247,432

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

State aid funding for pension	1,831,090
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Change in Net Position of Governmental Activities	\$ 12,318,224
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**INGHAM INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024**

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 72,124</u>
LIABILITIES	
Accounts payable	<u>728</u>
NET POSITION	
Restricted for student organizations	<u><u>\$ 71,396</u></u>

See notes to financial statements.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024**

	<u>Custodial Funds</u>
REVENUE	
Student activity income	<u>\$ 57,459</u>
EXPENDITURES	
Payments made on behalf of student organizations	<u>47,565</u>
NET CHANGE IN NET POSITION	9,894
NET POSITION	
Beginning of year	<u>61,502</u>
End of year	<u><u>\$ 71,396</u></u>

INGHAM INTERMEDIATE SCHOOL DISTRICT NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

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

Reporting Entity

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

Basis of Presentation - Government-wide Financial Statements

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

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

Basis of Presentation - Fund Financial Statements

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

The District reports the following *Major Governmental Funds*:

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

The *Special Revenue Funds* account for revenue sources that are legally restricted or committed to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its *special education fund* and the *career and technical education fund* as special revenue funds.

The *2003 Capital Projects Fund* accounts for the receipt of proceeds from other funds and the acquisition or construction of capital facilities or equipment held by the District.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

Major Governmental Funds (continued):

The *2022 Capital Projects Fund* includes capital project activities funded primarily with bonds issued during 2022.

Additionally, the District reports the following *Nonmajor Fund Types*:

The *2011 and 2022 Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The District accounts for its *Student/School Activities Fund* as a special revenue fund.

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

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

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

Measurement Focus and Basis of Accounting

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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

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

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

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

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

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, special education fund, career and technical education fund, and student/school activities fund. The capital projects fund is appropriated on a project-length basis. Other funds do not have appropriated budgets.

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

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

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

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of 3 months or less from the date of acquisition.

Investments

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

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Investments (continued)

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

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets (continued)

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

<u>Capital Asset Classes</u>	<u>Lives</u>
Site improvements	5 - 20
Buildings and additions	20 - 50
Right to use - subscription-based IT	2 - 3
Equipment	5 - 20

Defined Benefit Plans

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

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. They are pension and other postemployment benefits related items reported in the government-wide statement of net position. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expensed in the plan year in which they apply.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first item arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from receipts that are received after 60 days of year end. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available. The second is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension subsequent to the measurement period. The third and fourth items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance Policies (continued)

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

Subscription-based IT Arrangements (SBITA)

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

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

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

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

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

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

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

Fund	Mills Levied *	T.E.V. (Billions)
General fund		
General education	0.1994	11.57
Special revenue funds		
Special education fund	4.7384	11.57
Career and technical education fund	1.2912	8.48

* Levied mills are net of Headlee rollback.

Revenues and Expenditures/Expenses

Compensated Absences

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

Long-term Obligations

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses (continued)

Long-term Obligations (continued)

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2024, \$11,867,841 of the District's bank balance of \$12,590,530 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was \$10,185,876.

Custodial Credit Risk - Investments

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

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

Interest Rate Risk

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

As of June 30, 2024, the District had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
MILAF External Investment Pool - CMC	\$ 3,792,126	N/A
MILAF External Investment Pool - MAX	21,624,434	N/A
MILAF External Investment Pool - Managed	<u>9,505,343</u>	1.16
Total fair value	<u><u>\$ 34,921,903</u></u>	
Portfolio weighted average maturity		<u><u>0.32</u></u>

One day maturity equals 0.0027, one year equals 1.00.

Concentration of Credit Risk

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

Investment Type	Fair Value	Rating	Rating Agency
MILAF External Investment Pool - CMC	\$ 3,792,126	AAAm	Standard & Poor's
MILAF External Investment Pool - MAX	21,624,434	AAAm	Standard & Poor's
MILAF External Investment Pool - Managed	<u>9,505,343</u>	AAAm	Standard & Poor's
	<u><u>\$ 34,921,903</u></u>		

Foreign Currency Risk

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

Fair Value Measurement

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

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

The District's MILAF Managed Account is subject to the fair value measurement and is classified as Level 2.

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

	<u>Amortized Cost</u>
MILAF External Investment Pool - CMC	\$ 3,792,126
MILAF External Investment Pool - MAX	<u>21,624,434</u>
	<u><u>\$ 25,416,560</u></u>

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

	<u>Primary Government</u>	<u>Custodial Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ 10,113,752	\$ 72,124	\$ 10,185,876
Investments	<u>34,921,903</u>	<u>-</u>	<u>34,921,903</u>
	<u><u>\$ 45,035,655</u></u>	<u><u>\$ 72,124</u></u>	<u><u>\$ 45,107,779</u></u>

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governmental units at June 30, 2024 consist of the following:

Other governmental units	
State aid	\$ 14,658,173
Federal grants	9,004,318
Other	<u>47,204</u>
	<u><u>\$ 23,709,695</u></u>

No allowance for doubtful accounts is considered necessary based on previous experience.

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Assets not being depreciated/amortized				
Land	\$ 373,292	\$ -	\$ -	\$ 373,292
Construction in progress	<u>11,040,338</u>	<u>5,489,336</u>	<u>-</u>	<u>16,529,674</u>
Total capital assets not being depreciated/amortized	<u>11,413,630</u>	<u>5,489,336</u>	<u>-</u>	<u>16,902,966</u>
Other capital assets				
Site improvements	2,828,375	198,337	-	3,026,712
Buildings and additions	25,025,466	160,913	-	25,186,379
Right to use - subscription-based IT	263,285	-	-	263,285
Equipment	<u>5,635,681</u>	<u>175,874</u>	<u>(50,739)</u>	<u>5,760,816</u>
Total capital assets being depreciated/amortized	<u>33,752,807</u>	<u>535,124</u>	<u>(50,739)</u>	<u>34,237,192</u>
Accumulated depreciation/amortization				
Site improvements	1,566,326	83,847	-	1,650,173
Buildings and additions	15,808,148	557,654	-	16,365,802
Right to use - subscription-based IT	101,800	101,800	-	203,600
Equipment	<u>3,171,873</u>	<u>326,067</u>	<u>(38,460)</u>	<u>3,459,480</u>
Total accumulated depreciation/amortization	<u>20,648,147</u>	<u>1,069,368</u>	<u>(38,460)</u>	<u>21,679,055</u>
Total capital assets being depreciated/amortized, net	<u>13,104,660</u>	<u>(534,244)</u>	<u>(12,279)</u>	<u>12,558,137</u>
Net capital assets	<u><u>\$ 24,518,290</u></u>	<u><u>\$ 4,955,092</u></u>	<u><u>\$ (12,279)</u></u>	<u><u>\$ 29,461,103</u></u>

Depreciation/amortization for the fiscal year end June 30, 2024 amounted to \$1,069,368. The District determined that it was impractical to allocate depreciation/amortization to the various governmental activities as the assets serve multiple functions.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - LONG-TERM OBLIGATIONS

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

	General Obligation Bonds	Notes from Direct Borrowings and Direct Placements	Compensated Absences	Total
Balance, July 1, 2023	\$ 13,462,167	\$ 162,728	\$ 890,083	\$ 14,514,978
Additions	-	-	17,126	17,126
Deletions	(1,712,771)	(100,557)	-	(1,813,328)
Balance, June 30, 2024	11,749,396	62,171	907,209	12,718,776
Due within one year	(1,697,000)	(62,171)	(90,721)	(1,849,892)
Due in more than one year	<u>\$ 10,052,396</u>	<u>\$ -</u>	<u>\$ 816,488</u>	<u>\$ 10,868,884</u>

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

General Obligations Bonds

2011 Limited obligation (ARRA Qualified School Construction Bonds) due in annual installments of \$167,000 due April 15, 2026 with interest at 5.38%. ARRA program provides credits equal to the annual interest expense. \$ 334,000

2022 Building and Site bonds due in semi-annual installments of \$405,000 to \$1,095,000 through October 15, 2030, with interest ranging from 2.00% to 3.35%. 10,570,000

Add issuance premium 845,396

Total general obligation bonds 11,749,396

Direct Borrowing and Direct Placement

SBITA's due in annual installments ranging from \$5,760 to \$19,800 through February 2025, with imputed interest rate of 3%. 62,171

Compensated absences 907,209

Total general long-term obligations \$ 12,718,776

The District's outstanding notes from direct borrowings and direct placements related to governmental activities of \$62,171 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

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

Year Ending June 30,	General Obligation Bonds		Notes from Direct Borrowings and Direct Placements		Compensated Absences	Total
	Principal	Interest	Principal	Interest		
2025	\$ 1,697,000	\$ 523,595	\$ 62,171	\$ -	\$ -	\$ 2,282,766
2026	1,792,000	437,234	-	-	-	2,229,234
2027	1,725,000	346,125	-	-	-	2,071,125
2028	1,825,000	258,875	-	-	-	2,083,875
2029	1,500,000	166,750	-	-	-	1,666,750
2030-2031	2,365,000	80,250	-	-	-	2,445,250
	10,904,000	1,812,829	62,171	-	-	12,779,000
Issuance premium	845,396	-	-	-	-	845,396
Compensated absences	-	-	-	-	907,209	907,209
	<u>\$ 11,749,396</u>	<u>\$ 1,812,829</u>	<u>\$ 62,171</u>	<u>\$ -</u>	<u>\$ 907,209</u>	<u>\$ 14,531,605</u>

The above interest payments do not include the interest credit on the qualified school construction bonds (QSCB). See page 67 for a complete schedule showing the QSCB credit.

Interest expense at the fund level was \$589,779 for the year ended June 30, 2024.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

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

Receivable Fund	Amount	Payable Fund	Amount
2003 Capital Projects	<u>\$ 3,400,000</u>	Career and technical education fund	\$ 400,000
		Special Education fund	<u>3,000,000</u>
			<u>\$ 3,400,000</u>

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - GRANTS

The District receives numerous grants in furtherance of its educational purposes. Sources of grants for the year ended June 30, 2024 are as follows:

Source	General Education	Special Education	Career and Technical Education	Total
Local	\$ 1,489,342	\$ 6,429	\$ -	\$ 1,495,771
State	21,935,286	3,081,705	155,056	25,172,047
Federal	6,656,095	14,073,352	425,105	21,154,552
	<u>\$ 30,080,723</u>	<u>\$ 17,161,486</u>	<u>\$ 580,161</u>	<u>\$ 47,822,370</u>

Local sources include local governments, private industries, and foundations.

NOTE 8 - TRANSFERS

The general fund, special education fund, and the career and technical education fund transferred \$1,900,000, \$1,552,698, and \$1,500,000, respectively, to the 2003 capital projects fund for future capital projects. The 2003 capital projects fund transferred \$2,171,594 to nonmajor funds for the redemption of bonds payable.

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the Board's authority to promulgate or amend the provisions of the System. MPERS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.michigan.gov/orsschools.

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

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided - Overall

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

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

Benefits Provided - Pension

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

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

Pension Reform 2010

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

Pension Reform 2012

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

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (continued)

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

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

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

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

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

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

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

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

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform of 2017

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

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Regular Retirement (no reduction factor for age) (continued)

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

Member Contributions

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

Employer Contributions

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

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

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

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

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

The District's pension contributions for the year ended June 30, 2024 were equal to the required contribution total. Total pension contributions were approximately \$12,476,000. Of the total pension contributions approximately \$11,981,000 was contributed to fund the Defined Benefit Plan and approximately \$495,000 was contributed to fund the Defined Contribution Plan.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (continued)

The District's OPEB contributions for the year ended June 30, 2024 were equal to the required contribution total. Total OPEB contributions were approximately \$2,879,000. Of the total OPEB contributions approximately \$2,619,000 was contributed to fund the Defined Benefit Plan and approximately \$260,000 was contributed to fund the Defined Contribution Plan.

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

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

Pension Liabilities

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

<u>MPSERS (Plan) Non-University Employers</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Total pension liability	\$ 94,947,828,557	\$ 95,876,795,620
Plan fiduciary net position	\$ 62,581,762,238	\$ 58,268,076,344
Net pension liability	\$ 32,366,066,319	\$ 37,608,719,276
Proportionate share	0.27836%	0.27593%
Net pension liability for the District	\$ 90,094,208	\$ 103,771,971

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

For the year ended June 30, 2024, the District recognized pension expense of \$11,733,145.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,843,999	\$ (138,010)
Net difference between projected and actual earnings on pension plan investments	-	(1,843,619)
Change in assumptions	12,208,175	(7,038,956)
Changes in proportion and difference between employer contributions and proportionate share of contributions	771,930	(227,731)
Reporting Unit's contributions subsequent to the measurement date	10,902,440	-
	<u>\$ 26,726,544</u>	<u>\$ (9,248,316)</u>

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

\$10,902,440, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

<u>Year Ended September 30,</u>	<u>Amount</u>
2024	\$ 2,180,147
2025	1,534,518
2026	4,101,803
2027	<u>(1,240,680)</u>
Total	<u>\$ 6,575,788</u>

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

OPEB Liabilities

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

<u>MPERS (Plan) Non-University Employers</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Total other postemployment benefit liability	\$ 11,223,648,949	\$ 12,522,713,324
Plan fiduciary net position	\$ 11,789,347,341	\$ 10,404,650,683
Net other postemployment benefit liability (asset)	\$ (565,698,392)	\$ 2,118,062,641
Proportionate share	0.28346%	0.27364%
Net other postemployment benefit liability (asset) for the District	\$ (1,603,535)	\$ 5,795,912

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

For the year ended June 30, 2024, the District recognized OPEB benefit of \$2,504,783.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (12,117,131)
Changes of assumptions	3,569,748	(429,865)
Net difference between projected and actual earnings on OPEB plan investments	4,889	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	504,000	(195,050)
Reporting Unit's contributions subsequent to the measurement date	<u>2,202,651</u>	<u>-</u>
	<u><u>\$ 6,281,288</u></u>	<u><u>\$ (12,742,046)</u></u>

\$2,202,651, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

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

Year Ended September 30,	Amount
2024	\$ (2,816,146)
2025	(2,705,025)
2026	(1,056,049)
2027	(980,504)
2028	(732,976)
2029	<u>(372,709)</u>
	<u><u>\$ (8,663,409)</u></u>

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions

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

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

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

Inflation - 3.0%.

Mortality Assumptions -

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

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

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

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

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

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

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

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

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

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

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

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

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

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	<u>\$ 121,717,011</u>	<u>\$ 90,094,208</u>	<u>\$ 63,767,081</u>

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

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	<u>\$ 1,662,384</u>	<u>\$ (1,603,535)</u>	<u>\$ (4,410,271)</u>

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

	Other Postemployment Benefits		
	Current		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	<u>\$ (4,417,269)</u>	<u>\$ (1,603,535)</u>	<u>\$ 1,441,849</u>

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension and OPEB Plan Fiduciary Net Position

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

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

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The District participates in a distinct pool of educational institutions within the State of Michigan for self-insuring workers' disability compensation. The pool is considered public entity risk pools. The District pays annual premiums under a retrospectively rated policy to the pools for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The workers' compensation pool maintain reinsurance for claims generally in excess of \$500,000 for each occurrence with the overall maximum coverage varying depending on the specific type coverage of reinsurance.

The District continues to carry commercial insurance for other risks of loss, including property, liability, and employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2024 or any of the prior three years.

NOTE 11 - TAX ABATEMENTS

The District is required to disclose significant tax abatements as required by GASB Statement No. 77, *Tax Abatements*.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - TAX ABATEMENTS (continued)

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

<u>Municipality</u>	<u>Taxes Abated</u>
Alaiedon Township	\$ 127,997
Delhi Township	199,576
Delta Township	34,399
Leroy Township	24,277
Meridian Township	148,104
City of East Lansing	540,128
City of Lansing	655,515
City of Mason	34,203
City of Williamston	1,525
	<u>\$ 1,765,724</u>

The District is considered to be an “in-formula” district. The property tax revenue that is abated for the special education and vocational education millage is considered when the State of Michigan determines the District’s funding under and section 62 and section 56(7) of the State School Aid Act.

There are no abatements made by the District.

NOTE 12 - CONTINGENT LIABILITIES

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

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

**INGHAM INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 5,415,396	\$ 6,179,258	\$ 6,516,195	\$ 336,937
State sources	4,382,937	5,115,438	5,223,864	108,426
Incoming transfers and other transactions	13,893,808	17,230,192	17,242,406	12,214
	23,692,141	28,524,888	28,982,465	457,577
Grants	22,879,660	33,610,295	30,080,723	(3,529,572)
TOTAL REVENUES	46,571,801	62,135,183	59,063,188	(3,071,995)
EXPENDITURES				
Instruction	12,648,471	14,948,299	14,815,257	133,042
Supporting services	9,978,063	10,944,927	10,387,889	557,038
Outgoing transfer and other	683,593	664,688	1,120,397	(455,709)
	23,310,127	26,557,914	26,323,543	234,371
Grants	22,879,660	33,610,295	30,080,723	3,529,572
TOTAL EXPENDITURES	46,189,787	60,168,209	56,404,266	3,763,943
EXCESS OF REVENUES OVER EXPENDITURES	382,014	1,966,974	2,658,922	691,948
OTHER FINANCING (USES)				
Transfers out	(200,000)	(1,400,000)	(1,900,000)	(500,000)
NET CHANGE IN FUND BALANCE	\$ 182,014	\$ 566,974	758,922	\$ 191,948
FUND BALANCE				
Beginning of year			6,870,271	
End of year			\$ 7,629,193	

**INGHAM INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - SPECIAL EDUCATION FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 56,578,113	\$ 57,571,076	\$ 58,831,038	\$ 1,259,962
State sources	19,009,023	22,097,243	22,213,222	115,979
Federal sources	239,045	427,561	486,499	58,938
Incoming transfers and other transactions	622,410	459,095	464,093	4,998
	76,448,591	80,554,975	81,994,852	1,439,877
Grants	14,391,498	17,093,671	17,161,486	67,815
TOTAL REVENUES	90,840,089	97,648,646	99,156,338	1,507,692
EXPENDITURES				
Instruction	3,578,129	1,595,475	1,986,873	(391,398)
Supporting services	31,728,051	36,505,694	35,326,477	1,179,217
Outgoing transfer and other	39,623,222	40,919,598	43,128,804	(2,209,206)
	74,929,402	79,020,767	80,442,154	(1,421,387)
Grants	14,391,498	17,093,671	17,161,486	(67,815)
TOTAL EXPENDITURES	89,320,900	96,114,438	97,603,640	(1,489,202)
EXCESS OF REVENUES OVER EXPENDITURES	1,519,189	1,534,208	1,552,698	18,490
OTHER FINANCING (USES)				
Transfers out	(1,519,189)	(1,534,208)	(1,552,698)	(18,490)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE				
Beginning of year			443,225	
End of year			\$ 443,225	

**INGHAM INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CAREER
AND TECHNICAL EDUCATION FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 10,575,351	\$ 11,043,600	\$ 11,420,797	\$ 377,197
State sources	2,171,820	2,593,698	2,614,955	21,257
Incoming transfers and other transactions	417,669	492,427	470,281	(22,146)
	13,164,840	14,129,725	14,506,033	376,308
Grants	358,769	566,093	580,161	14,068
TOTAL REVENUES	13,523,609	14,695,818	15,086,194	390,376
EXPENDITURES				
Instruction	6,216,125	6,124,270	5,960,645	163,625
Supporting services	6,236,071	6,115,312	5,933,651	181,661
Outgoing transfer and other	443,835	417,185	411,161	6,024
	12,896,031	12,656,767	12,305,457	351,310
Grants	358,769	566,093	580,161	(14,068)
TOTAL EXPENDITURES	13,254,800	13,222,860	12,885,618	337,242
EXCESS OF REVENUES OVER EXPENDITURES	268,809	1,472,958	2,200,576	727,618
OTHER FINANCING (USES)				
Transfers out	(1,000,000)	(1,000,000)	(1,500,000)	(500,000)
NET CHANGE IN FUND BALANCE	\$ (731,191)	\$ 472,958	700,576	\$ 227,618
FUND BALANCE				
Beginning of year			6,216,921	
End of year			\$ 6,917,497	

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.27836%	0.27593%	0.27549%	0.27693%	0.27297%	0.26617%	0.26463%	0.26396%	0.25450%	0.24272%
Reporting Unit's proportionate share of net pension liability	\$ 90,094,208	\$ 103,771,971	\$ 65,224,130	\$ 95,127,303	\$ 90,399,433	\$ 80,016,385	\$ 68,576,569	\$ 65,854,882	\$ 62,160,555	\$ 53,462,790
Reporting Unit's covered-employee payroll	\$ 28,198,006	\$ 26,530,277	\$ 24,880,266	\$ 24,630,781	\$ 24,107,812	\$ 22,847,473	\$ 21,977,214	\$ 22,710,105	\$ 21,314,008	\$ 20,664,616
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	319.51%	391.15%	262.15%	386.21%	374.98%	350.22%	312.03%	289.98%	291.64%	258.72%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 11,980,577	\$ 12,675,459	\$ 9,225,354	\$ 8,080,642	\$ 7,472,582	\$ 7,077,224	\$ 6,929,167	\$ 6,174,280	\$ 5,690,431	\$ 4,747,429
Contributions in relation to statutorily required contributions	11,980,577	12,675,459	9,225,354	8,080,642	7,472,582	7,077,224	6,929,167	6,174,280	5,690,431	4,747,429
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reporting Unit's covered-employee payroll	\$ 31,545,562	\$ 28,588,266	\$ 26,153,996	\$ 24,543,982	\$ 24,720,904	\$ 23,728,828	\$ 22,592,330	\$ 21,882,267	\$ 21,858,891	\$ 21,147,186
Contributions as a percentage of covered-employee payroll	37.98%	44.34%	35.27%	32.92%	30.23%	29.83%	30.67%	28.22%	26.03%	22.45%

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

	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability/asset (%)	0.28346%	0.27364%	0.27501%	0.27801%	0.27688%	0.26890%	0.26515%
Reporting Unit's proportionate share of net OPEB liability (asset)	\$ (1,603,535)	\$ 5,795,912	\$ 4,197,666	\$ 14,893,693	\$ 19,874,047	\$ 21,375,107	\$ 23,480,142
Reporting Unit's covered-employee payroll	\$ 28,198,006	\$ 26,530,277	\$ 24,880,266	\$ 24,630,781	\$ 24,107,812	\$ 22,847,473	\$ 21,977,214
Reporting Unit's proportionate share of net OPEB liability/asset as a percentage of its covered-employee payroll	5.69%	21.85%	16.87%	60.47%	82.44%	93.56%	106.84%
Plan fiduciary net position as a percentage of total OPEB liability (non-university employers)	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required OPEB contributions	\$ 2,619,443	\$ 2,313,864	\$ 2,168,187	\$ 2,118,364	\$ 2,087,830	\$ 1,958,374	\$ 1,960,840
Contributions in relation to statutorily required contributions	<u>2,619,443</u>	<u>2,313,864</u>	<u>2,168,187</u>	<u>2,118,364</u>	<u>2,087,830</u>	<u>1,958,374</u>	<u>1,960,840</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll (OPEB)	\$ 31,545,562	\$ 28,588,266	\$ 26,153,996	\$ 24,543,982	\$ 24,720,904	\$ 23,728,828	\$ 22,592,330
OPEB contributions as a percentage of covered-employee payroll	8.30%	8.09%	8.29%	8.63%	8.45%	8.25%	8.68%

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

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024**

NOTE 1 - PENSION INFORMATION

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

Changes of Assumptions - the assumption changes for 2023 were:

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

NOTE 2 - OPEB INFORMATION

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

Changes of Assumptions - the assumption changes for 2023 were:

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

ADDITIONAL SUPPLEMENTARY INFORMATION

**INGHAM INTERMEDIATE SCHOOL DISTRICT
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPE
JUNE 30, 2024**

	<u>Special Revenue</u>	<u>Debt Service</u>		
	<u>Student/School Activities</u>	<u>2011 Debt Service</u>	<u>2022 Debt Service</u>	<u>Total Nonmajor Funds</u>
ASSETS				
Cash and cash equivalents	\$ 36,734	\$ -	\$ -	\$ 36,734
FUND BALANCES				
Committed	\$ 36,734	\$ -	\$ -	\$ 36,734

**INGHAM INTERMEDIATE SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2024**

	<u>Special Revenue</u>	<u>Debt Service</u>		
	Student/School Activities	2011 Debt Service	2022 Debt Service	Total Nonmajor Funds
REVENUE				
Local				
Student/school activities	\$ 9,989	\$ -	\$ -	\$ 9,989
Federal sources	-	25,657	-	25,657
	<u>9,989</u>	<u>25,657</u>	<u>-</u>	<u>35,646</u>
TOTAL REVENUES				
EXPENDITURES				
Student/school activities	9,054	-	-	9,054
Principal	-	167,000	1,425,000	1,592,000
Interest	-	26,876	577,875	604,751
Other	-	-	500	500
	<u>9,054</u>	<u>193,876</u>	<u>2,003,375</u>	<u>2,206,305</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	<u>935</u>	<u>(168,219)</u>	<u>(2,003,375)</u>	<u>(2,170,659)</u>
OTHER FINANCING SOURCES				
Transfers in	-	168,219	2,003,375	2,171,594
	<u>-</u>	<u>168,219</u>	<u>2,003,375</u>	<u>2,171,594</u>
NET CHANGE IN FUND BALANCE	935	-	-	935
FUND BALANCES				
Beginning of year	<u>35,799</u>	<u>-</u>	<u>-</u>	<u>35,799</u>
End of year	<u>\$ 36,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,734</u>

**INGHAM INTERMEDIATE SCHOOL DISTRICT
TAX SUMMARY
YEAR ENDED JUNE 30, 2024**

	2023 Taxes Levied - Net of TV Changes Through 6/30/24	Taxes Collected	Balance Due 6/30/24
General education fund			
Ingham County	\$ 1,830,975	\$ 1,827,558	\$ 3,417
Eaton County	192,028	191,888	140
Clinton County	127,201	126,857	344
Livingston County	29,292	29,342	(50)
Jackson County	28,993	28,980	13
Washtenaw County	7,827	7,826	1
Shiawassee County	1,842	1,842	-
Total general education fund	2,218,158	2,214,293	3,865
Special revenue funds			
Special education fund			
Ingham County	43,509,996	43,428,801	81,195
Eaton County	4,563,215	4,559,870	3,345
Clinton County	3,022,704	3,014,545	8,159
Livingston County	696,081	697,239	(1,158)
Jackson County	688,967	688,647	320
Washtenaw County	185,998	185,966	32
Shiawassee County	43,763	43,763	-
Total special education fund	52,710,724	52,618,831	91,893
Career and technical education fund			
Ingham County	8,682,481	8,681,798	683
Eaton County	1,142,665	1,141,934	731
Clinton County	455,431	455,676	(245)
Livingston County	189,680	189,995	(315)
Jackson County	187,742	187,654	88
Washtenaw County	50,684	50,675	9
Shiawassee County	11,925	11,925	-
Total career and technical education fund	10,720,608	10,719,657	951
Total special revenue funds	63,431,332	63,338,488	92,844
TOTAL ALL FUNDS	\$ 65,649,490	\$ 65,552,781	\$ 96,709

**INGHAM INTERMEDIATE SCHOOL DISTRICT
TAX SUMMARY
YEAR ENDED JUNE 30, 2024**

	2023 Taxes Levied - Net of TV Changes Through 6/30/24	Taxes Collected	Balance Due 6/30/24
Combined (all funds)			
Ingham County	\$ 54,023,452	\$ 53,938,157	\$ 85,295
Eaton County	5,897,908	5,893,692	4,216
Clinton County	3,605,336	3,597,078	8,258
Livingston County	915,053	916,576	(1,523)
Jackson County	905,702	905,281	421
Washtenaw County	244,509	244,467	42
Shiawassee County	57,530	57,530	-
Subtotal all funds	65,649,490	65,552,781	96,709
Total current levy - all funds and counties	65,649,490	\$ 65,552,781	96,709
Delinquent property tax adjustments	(209,272)		
Total property tax revenue	\$ 65,440,218		
2023 taxes levied receivable			96,709
Prior years			
Uncollected, beginning of year			192,839
Collections/SEV changes/write-offs			139,141
Uncollected, end of year			331,980
Total taxes receivable			\$ 428,689

**INGHAM INTERMEDIATE SCHOOL DISTRICT
BONDED DEBT
JUNE 30, 2024**

\$2,500,000 Qualified School Construction Bonds (Limited Tax General Obligation) issued in 2011:

Principal Due April 15	Interest Due		QSCB Credit	Net-Debt Service Requirement for Fiscal Year	
	April 15	October 15		June 30,	Amount
\$ 167,000	\$ 8,985	\$ 8,985	\$ (17,970)	2025	\$ 167,000
167,000	4,492	4,492	(8,984)	2026	167,000
<u>\$ 334,000</u>	<u>\$ 13,477</u>	<u>\$ 13,477</u>	<u>\$ (26,954)</u>		<u>\$ 334,000</u>

**INGHAM INTERMEDIATE SCHOOL DISTRICT
BONDED DEBT
JUNE 30, 2024**

\$13,690,000 Building and site bonds issued in 2022:

Principal Due April 15	Principal Due October 15	Interest Due		Net-Debt Service Requirement for Fiscal Year	
		April 15	October 15	June 30,	Amount
\$ 615,000	\$ 915,000	\$ 241,375	\$ 264,250	2025	\$ 2,035,625
675,000	950,000	202,250	226,000	2026	2,053,250
740,000	985,000	160,750	185,375	2027	2,071,125
800,000	1,025,000	116,625	142,250	2028	2,083,875
870,000	1,060,000	70,125	96,625	2029	2,096,750
405,000	1,095,000	21,000	48,375	2030	1,569,375
-	435,000	-	10,875	2031	445,875
<u>\$ 4,105,000</u>	<u>\$ 6,465,000</u>	<u>\$ 812,125</u>	<u>\$ 973,750</u>		<u>\$ 12,355,875</u>

**INGHAM INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass-through grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Approved Award Amount	Accrued (Unearned) Revenue at 7/1/2023	Prior Year(s) Expenditures (Memorandum Only)	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Unearned) Revenue at 6/30/2024	Current Year Cash Transferred to Subrecipient
<u>U. S. Department of Education</u>									
Passed through Michigan Department of Education Title I Grants to Local Educational Agencies	84.010	231570-2223 241570-2324	\$ 1,024,084 2,381,376	\$ 50,732 -	\$ 228,857 -	\$ 142,586 1,283,117	\$ 193,318 407,400	\$ - 875,717	\$ 69,661 389,798
Total ALN 84.010			3,405,460	50,732	228,857	1,425,703	600,718	875,717	459,459
Title I, Neglected and Delinquent Children	84.013	231700-2223 241700-2324	103,130 111,243	4,241 -	4,241 -	14,744 63,229	18,985 53,756	- 9,473	- -
Total ALN 84.013			214,373	4,241	4,241	77,973	72,741	9,473	-
Special Education Cluster Special Education- Grants to States	84.027	220450-2122 230450-2223 240450-2324	11,967,068 12,077,332 12,846,892	210,165 2,649,902 -	11,961,898 11,860,802 -	5,170 216,530 12,660,957	215,335 2,649,902 8,263,941	- 216,530 4,397,016	21,596 729,220 1,475,131
	84.027X	221280-2122 230493-2223 240493-2324	2,450,778 188,800 207,700	242,560 55,866 -	2,327,948 188,800 -	122,830 - 207,700	365,390 55,866 145,323	- - 62,377	- - -
Total ALN 84.027			39,738,570	3,158,493	26,339,448	13,213,187	11,695,757	4,675,923	2,225,947
Special Education Preschool Grants	84.173	220460-2122 230460-2223 240460-2324 221285-2122	356,920 364,487 374,851 191,061	7,630 255,479 - 147,145	356,920 354,595 - 150,828	- 9,892 374,851 40,233	7,630 255,479 140,147 187,378	- 9,892 234,704 -	- 226,172 126,570 79,070
Total ALN 84.173			1,287,319	410,254	862,343	424,976	590,634	244,596	431,812
Total Special Education Cluster			41,025,889	3,568,747	27,201,791	13,638,163	12,286,391	4,920,519	2,657,759
Special Education - Grants for Infants and Families	84.181	231340-2223 241340-2324	320,263 344,060	50,975 -	320,263 -	- 344,060	50,975 266,745	- 77,315	- -
	84.181X	221283-EOARP	153,818	100,233	140,662	13,156	113,389	-	-
Total ALN 84.181			818,141	151,208	460,925	357,216	431,109	77,315	-
TOTAL PASSED THROUGH MICHIGAN DEPARTMENT OF EDUCATION			45,463,863	3,774,928	27,895,814	15,499,055	13,390,959	5,883,024	3,117,218
Passed through Clinton County RESA Carl D. Perkins	84.048	233520-231214 243520-241214	328,084 425,108	108,075 -	324,084 -	- 425,108	108,075 305,013	- 120,095	- -
Total ALN 84.048			753,192	108,075	324,084	425,108	413,088	120,095	-
TOTAL U.S. DEPARTMENT OF EDUCATION			46,217,055	3,883,003	28,219,898	15,924,163	13,804,047	6,003,119	3,117,218

The accompanying notes are an integral part of this schedule.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass-through grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Approved Award Amount	Accrued (Unearned) Revenue at 7/1/2023	Prior Year(s) Expenditures (Memorandum Only)	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Unearned) Revenue at 6/30/2024	Current Year Cash Transferred to Subrecipient
<u>U.S. Department of Health and Human Services</u>									
Passed through Michigan Department of Education Child Care Development Fund Cluster									
Child Care and Development Block Grant	93.575	2231QA/TA and 2223 AR 2331 QA/TA and 2231 AR	\$ 2,415,275 2,440,217	\$ 420,237 -	\$ 1,292,149 -	\$ 657,964 1,769,634	\$ 1,078,201 936,119	\$ - 833,515	\$ 787,643 1,308,956
Total ALN 93.575			4,855,492	420,237	1,292,149	2,427,598	2,014,320	833,515	2,096,599
Birth to Five Literacy Support Network Hubs	93.434	PDGB54.13/223962	125,949	14,938	49,417	62,575	77,513	-	-
Passed through Michigan Department of Labor & Economic Opportunity Refugee and Entrant Assistance - State Administered Programs	93.566	ARSI22-3301	300,000	(109,246)	40,754	188,933	41,984	37,703	-
Passed through Michigan Department of Education Healthcare Resource Advocates	93.323	232810-HRA2023 242810-HRA2024	2,800,000 4,824,000	1,309,129 -	920,302 -	85,489 2,433,154	1,394,618 307,113	- 2,126,041	1,375,956 613,534
Total ALN 93.323			7,624,000	1,309,129	920,302	2,518,643	1,701,731	2,126,041	1,989,490
TOTAL PASSED THROUGH MICHIGAN DEPARTMENT OF EDUCATION			12,905,441	1,635,058	2,302,622	5,197,749	3,835,548	2,997,259	4,086,089
Passed through Michigan Department of Health and Human Services Medicaid Cluster									
Medical Assistance Program	93.778		510,463	(119,839)	311,353	486,499	510,464	(143,804)	481,726
Local Home Visiting Leadership Group	93.870	20221093 20231093	40,000 51,000	5,140 -	22,986 -	12,377 20,263	17,517 16,323	- 3,940	- -
Total ALN 93.870			91,000	5,140	22,986	32,640	33,840	3,940	-
TOTAL PASSED THROUGH MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES			601,463	(114,699)	334,339	519,139	544,304	(139,864)	481,726
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			13,506,904	1,520,359	2,636,961	5,716,888	4,379,852	2,857,395	4,567,815
<u>U.S. Department of Treasury</u>									
Passed through Michigan Department of Education COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	232425-2223	892,957	267,857	267,857	-	267,857	-	-
TOTAL FEDERAL AWARDS			\$ 60,616,916	\$ 5,671,219	\$ 31,124,716	\$ 21,641,051	\$ 18,451,756	8,860,514	\$ 7,685,033
								Unearned revenue	143,804
								Intergovernmental receivable	\$ 9,004,318

The accompanying notes are an integral part of this schedule.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PASS-THROUGH AMOUNTS
YEAR ENDED JUNE 30, 2024**

Program Title/Grant Number Subrecipient Name	Federal Assistance Listing Number	State Pass-through Number	Intermediate Pass-through Number	Subrecipient Award/ Contract Amount	Due to (from) Subrecipient 7/1/23	Subrecipient Current Year Expenditures	Current Year Cash Transferred to Subrecipient	Due to (from) Subrecipients 6/30/24
PASS-THROUGH GRANTEE								
TITLE I								
Lansing School District	84.010	231570 - 22-23	000917	\$ 140,000	\$ -	\$ 31,147	\$ 31,147	\$ -
		241570 - 23-24	000917	1,306,607	-	852,304	349,119	503,185
Great Lakes Learning Academy	84.010	231570 - 22-23	000917	55,794	10,601	-	10,601	-
		241570 - 23-24	000917	79,612	-	51,141	22,460	28,681
Michigan Connections	84.010	231570 - 22-23	000917	19,640	7,716	20,197	27,913	-
		241570 - 23-24	000917	57,691	-	18,219	18,219	-
Total Title I				<u>\$ 1,659,344</u>	<u>\$ 18,317</u>	<u>\$ 973,008</u>	<u>\$ 459,459</u>	<u>\$ 531,866</u>
HEALTHCARE RESOURCE ADVOCATE								
Dansville Schools	93.323	232810-HRA2023	000921	\$ 336,000	\$ 79,469	\$ -	\$ 79,469	\$ -
		242810-HRA2024	000921	112,000	-	82,869	34,327	48,542
East Lansing Public Schools	93.323	232810-HRA2023	000921	112,000	49,488	-	49,488	-
Haslett Public Schools	93.323	232810-HRA2023	000921	112,000	85,347	-	85,347	-
		242810-HRA2024	000921	112,000	-	112,000	34,611	77,389
Holt Public Schools	93.323	232810-HRA2023	000921	224,000	127,567	-	127,567	-
Lansing School District	93.323	232810-HRA2023	000921	336,000	175,427	19,540	194,967	-
		242810-HRA2024	000921	1,344,000	-	1,154,302	-	1,154,302
Leslie Public Schools	93.323	232810-HRA2023	000921	224,000	70,469	27,276	97,745	-
Mason Public Schools	93.323	232810-HRA2023	000921	224,000	98,945	-	98,945	-
		242810-HRA2024	000921	112,000	-	88,732	36,891	51,841
Okemos Public Schools	93.323	232810-HRA2023	000921	336,000	166,540	24,543	191,083	-
		242810-HRA2024	000921	336,000	-	251,142	89,525	161,617
Stockbridge Community Schools	93.323	232810-HRA2023	000921	336,000	206,094	-	206,094	-
		242810-HRA2024	000921	448,000	-	447,062	338,108	108,954
Waverly Community Schools	93.323	232810-HRA2023	000921	112,000	61,619	5,940	67,559	-
Webberville Community Schools	93.323	232810-HRA2023	000921	112,000	19,031	-	19,031	-
Williamston Community Schools	93.323	232810-HRA2023	000921	224,000	158,661	-	158,661	-
		242810-HRA2024	000921	224,000	-	178,171	80,072	98,099
Total Healthcare Resource Advocate				<u>\$ 5,376,000</u>	<u>\$ 1,298,657</u>	<u>\$ 2,391,577</u>	<u>\$ 1,989,490</u>	<u>\$ 1,700,744</u>
CHILD CARE DEVELOPMENT BLOCK GRANT								
Clinton County RESA	93.575	2231QA/TA and 2223 AR	000990	\$ 393,500	\$ 43,108	\$ 140,938	\$ 184,046	\$ -
		2331 QA/TA and 2329 AR	000990	393,500	-	280,218	234,178	46,040
Midland County ESA	93.575	2231QA/TA and 2223 AR	000990	757,136	99,157	190,101	289,258	-
		2331 QA/TA and 2329 AR	000990	415,434	-	560,671	500,063	60,608
Saginaw ISD	93.575	2231QA/TA and 2223 AR	000990	890,901	74,112	240,227	314,339	-
		2331 QA/TA and 2329 AR	000990	838,484	-	646,195	574,715	71,480
Total Child Care Development Block Grant				<u>\$ 3,688,955</u>	<u>\$ 216,377</u>	<u>\$ 2,058,350</u>	<u>\$ 2,096,599</u>	<u>\$ 178,128</u>

The accompanying notes are an integral part of this schedule.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PASS-THROUGH AMOUNTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Program Title/Grant Number Subrecipient Name	Federal Assistance Listing Number	State Pass-through Number	Intermediate Pass-through Number	Subrecipient Award/Contract Amount	Due to (from) Subrecipient 7/1/23	Subrecipient CurrentYear Expenditures	Current Year Cash Transferred to Subrecipient	Due to (from) Subrecipients 6/30/24
PASSTHROUGH GRANTEE								
SPECIAL EDUCATION CLUSTER - FLOWTHROUGH:								
East Lansing Public Schools	84.027	230450-2223	000595-23450	\$ 3,430	\$ -	\$ 3,430	\$ -	\$ 3,430
Holt Public Schools	84.027	220450-2122	000595-22450	4,330	4,330	-	4,330	-
		230450-2223	000595-23450	2,062	-	2,062	-	2,062
Lansing School District	84.027	230450-2223	000594	1,600,000	330,011	-	330,011	-
		240450-2324	000594	1,600,000	-	1,600,000	1,274,273	325,727
Okemos Public Schools	84.027	220450-2122	000595-22450	3,247	3,247	-	3,247	-
		230450-2223	000595-23450	3,128	-	3,128	-	3,128
Waverly Community Schools	84.027	220450-2122	000595-22450	5,739	5,739	-	5,739	-
		230450-2223	000595-23450	2,420	-	2,420	-	2,420
Williamston Community Schools	84.027	220450-2122	000595-22450	8,280	8,280	-	8,280	-
		230450-2223	000595-23450	8,669	-	8,669	-	8,669
Great Lakes Learning Academy	84.027	230450-2223	000594	190,778	190,778	-	190,778	-
		240450-2324	000594	251,965	-	251,965	113,124	138,841
Michigan Connections Academy	84.027	230450-2223	000594	330,063	208,431	-	208,431	-
		240450-2324	000594	358,280	-	358,280	87,734	270,546
Total Special Education Cluster - Flowthrough				<u>\$ 4,372,391</u>	<u>\$ 750,816</u>	<u>\$ 2,229,954</u>	<u>\$ 2,225,947</u>	<u>\$ 754,823</u>
SPECIAL EDUCATION CLUSTER - PRESCHOOL								
Dansville Schools	84.173	221285-2122	000516	\$ 1,893	\$ 1,110	\$ -	\$ 1,110	\$ -
East Lansing Public Schools	84.173	220460-2223	000523	32,720	32,720	-	32,720	-
		240460-2324	000523	35,635	-	35,635	-	35,635
		221285-2122	000516	15,000	325	-	325	-
Haslett Public Schools	84.173	220460-2223	000523	15,219	15,219	-	15,219	-
		240460-2324	000523	19,188	-	19,188	-	19,188
Holt Public Schools	84.173	220460-2223	000523	38,047	38,047	-	38,047	-
		240460-2324	000523	32,208	-	32,208	-	32,208
Lansing School District	84.173	220460-2223	000523	118,375	26,046	-	26,046	-
		240460-2324	000523	150,763	-	150,763	112,864	37,899
		221285-2122	000516	38,730	7,324	16,543	23,867	-
Leslie Public Schools		221285-2122	000516	5,622	5,622	-	5,622	-
Mason Public Schools	84.173	220460-2223	000523	33,481	33,481	-	33,481	-
		240460-2324	000523	32,894	-	32,894	-	32,894
		221285-2122	000516	5,400	1,187	-	1,187	-
Okemos Public Schools	84.173	220460-2223	000523	22,067	22,067	-	22,067	-
		240460-2324	000523	21,929	-	21,929	-	21,929
		221285-2122	000516	7,722	3,835	-	3,835	-
Stockbridge Community Schools	84.173	221285-2122	000516	30,660	15,217	-	15,217	-
Waverly Community Schools	84.173	220460-2223	000523	42,612	42,612	-	42,612	-
		240460-2324	000523	30,838	-	30,838	-	30,838
		221285-2122	000516	4,088	795	-	795	-
Williamston Community Schools	84.173	220460-2223	000523	15,980	15,980	-	15,980	-
		240460-2324	000523	13,706	-	13,706	13,706	-
		221285-2122	000516	29,902	25,376	1,736	27,112	-
Total Special Education Cluster - Preschool				<u>\$ 794,679</u>	<u>\$ 286,963</u>	<u>\$ 355,440</u>	<u>\$ 431,812</u>	<u>\$ 210,591</u>

The accompanying notes are an integral part of this schedule.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PASS-THROUGH AMOUNTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Program Title/Subrecipient Name	Federal Assistance Listing Number	Due to (from) Subrecipient 7/1/23	Subrecipient Current Year Expenditures	Current year Cash Transferred to Subrecipient	Due to (from) Subrecipient 6/30/24
MEDICAID CLUSTER					
Medical Assistance Program	93.778				
Dansville Schools		\$ 2,913	\$ 14,148	\$ 13,412	\$ 3,649
East Lansing Public Schools		9,867	41,709	39,615	11,961
Haslett Public Schools		7,473	31,537	29,990	9,020
Holt Public Schools		12,209	48,224	46,082	14,351
Lansing School District		36,307	155,158	148,129	43,336
Leslie Public Schools		3,497	12,453	11,964	3,986
Mason Public Schools		9,664	40,712	38,765	11,611
Okemos Public Schools		11,317	46,908	44,642	13,583
Stockbridge Public Schools		4,594	21,066	19,943	5,717
Waverly Community Schools		11,680	47,009	44,671	14,018
Webberville Community Schools		1,503	6,165	5,898	1,770
Williamston Community Schools		5,443	16,893	16,425	5,911
Blended Learning Academies		78	485	455	108
Cole Academy		826	5,901	5,510	1,217
Great Lakes Learning Academy		873	8,041	7,438	1,476
Lansing Charter Academy		366	3,376	3,172	570
Michigan Connections Academy		18	146	135	29
Mid-Michigan Leadership Academy		419	2,648	2,512	555
El-Hajj Malik El-Shabazz Academy		42	-	-	42
White Pine Academy		221	488	451	258
Windemere Park Charter Academy		529	2,624	2,517	636
Total Medical Assistance Program		\$ 119,839	\$ 505,691	\$ 481,726	\$ 143,804

The accompanying notes are an integral part of this schedule.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Ingham Intermediate School 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Ingham Intermediate School District, it is not intended to and does not present the financial position or changes in net position of Ingham Intermediate School District.

Management has utilized the NexSys Cash Management System (CMS) and the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. Ingham Intermediate School District has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - RECONCILING WITH AUDITED FINANCIAL STATEMENTS

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

Total grants revenue	
General fund	\$ 30,080,723
Special education fund	17,161,486
Career and technical education fund	<u>580,161</u>
Total grants	47,822,370
Less non-federal grants	
Local	(1,495,771)
State	<u>(25,172,047)</u>
Total federal grants	21,154,552
Federal revenue per financial statements	512,156
Less Federal QSCB Interest credit	<u>(25,657)</u>
Total federal expenditures	<u><u>\$ 21,641,051</u></u>

Subrecipients - Of the federal expenditures presented in the schedule of expenditures of federal awards, Ingham Intermediate School District provided federal awards to subrecipients reported in the schedule of pass-through amounts.



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
☎ 517.323.7500
🖨 517.323.6346

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

To the Board of Education of the
Ingham Intermediate School District

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 Ingham Intermediate School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Ingham Intermediate School 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 Ingham Intermediate School 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 Ingham Intermediate School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Ingham Intermediate School 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ingham Intermediate School 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maney Costeiran PC

September 25, 2024



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
☎ 517.323.7500
🖨 517.323.6346

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

To the Board of Education of the
Ingham Intermediate School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Ingham Intermediate School 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 each major federal program. Our audit does not provide a legal determination of Ingham Intermediate School 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 Ingham Intermediate School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ingham Intermediate School 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 Ingham Intermediate School 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 Ingham Intermediate School 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.

Report on Internal Control Over Compliance

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

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

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

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

Maney Costerian PC

September 25, 2024

**INGHAM INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

- | | | | |
|---|-----------|------------------------------|--|
| ➤ Material weakness(es) identified? | _____ Yes | _____ <u>X</u> No | |
| ➤ Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ Yes | _____ <u>X</u> None reported | |

Noncompliance material to financial statements noted?

_____ Yes _____ X No

Federal Awards

Internal control over major programs:

- | | | | |
|---|-----------|------------------------------|--|
| ➤ Material weakness(es) identified? | _____ Yes | _____ <u>X</u> No | |
| ➤ Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ Yes | _____ <u>X</u> None reported | |

Type of auditor's report issued on compliance for major programs:

Unmodified

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

_____ Yes _____ X No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.027, 84.173	Special Education Cluster
84.010	Title I Grants to Local Educational Agencies

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

\$ _____ 750,000

Auditee qualified as low-risk auditee?

_____ X Yes _____ No

Section II - Financial Statement Findings

No matters were reported for the year ended June 30, 2024.

Section III - Federal Award Findings and Questioned Costs

No findings or questioned costs were noted for the year ended June 30, 2024.

**INGHAM INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

There were no findings for the prior year.



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
☎ 517.323.7500
🖨 517.323.6346

September 25, 2024

To the Board of Education of the
Ingham Intermediate School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ingham Intermediate School District for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Ingham Intermediate School District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2024. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

The calculation of the net pension liability and related deferred outflows and inflows of resources is based on an actuarial study which utilized certain actuarial assumptions.

The calculation of the net other post-employment benefits asset and related deferred outflows and inflows of resources is based upon an actuarial study which utilized certain actuarial assumptions.

Management's calculation of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.

Management's calculation of the depreciation expense is based on the estimated useful lives of the capital assets.

Management's estimate of the discount rate used for leases, the lease term and lease payments/receipts is based on the District's incremental borrowing rate and consideration of the noncancelable period of the lease and reasonably certain lease options.

Investments are carried at fair value, which is defined as the amount that the District could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller and is generally measured by quoted market prices.

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

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected because of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 25, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) which are required and supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

A separate management letter was not issued.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of Ingham Intermediate School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Manes Costeiran PC