



BYRON CENTER PUBLIC SCHOOLS

Kent County, Michigan

Annual Financial Report

For the year ended June 30, 2024



HUNGERFORD
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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

October 9, 2024

The Board of Education
Byron Center Public Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Byron Center Public Schools as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Byron Center Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Byron Center Public Schools, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 Byron Center Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Byron Center Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Byron Center Public Schools' basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and 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 combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2024, on our consideration of Byron Center Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Byron Center Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Byron Center Public Schools' internal control over financial reporting and compliance.



Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Byron Center Public Schools ("the District"), we provide readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of four parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District:

- The first two statements, the Statement of Net Position and the Statement of Activities, 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.
 - ♦ *Governmental funds statements* tell how basic services such as regular 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 a trustee or agent for the benefit of others.

The Basic Financial Statements also include Notes to Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data; Required Supplementary Information includes pension and OPEB information schedules; Other Supplementary Information follows and includes combining and individual fund statements and schedules.

District-wide Statements

The district-wide financial 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 two 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 inflow of resources – is 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.

To assess the District's overall health, one should consider additional non-financial factors such as changes in the District's property tax-base and the condition of school buildings and other facilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

In the district-wide financial statements, the District's activities are presented as follows:

- *Governmental activities:* The District's basic services are included here, such as regular and special education, instructional support, transportation, administration, community services, food service and athletics. State aid and property taxes finance most of these activities.

Condensed District-wide Financial Information

The Statement of Net Position provides financial information on the District as a whole.

	2024	2023
Assets		
Current assets	\$ 52,154,611	\$ 67,861,904
Net capital assets	189,782,738	171,405,342
Net OPEB asset	1,472,419	-
Total Assets	243,409,768	239,267,246
Deferred Outflows of Resources	32,017,331	36,251,925
Liabilities		
Current liabilities	19,215,061	18,388,669
Long-term liabilities	182,127,308	187,805,283
Net pension liability	83,793,396	96,541,669
Net OPEB liability	-	5,431,020
Total Liabilities	285,135,765	308,166,641
Deferred Inflows of Resources	20,014,419	11,347,474
Net Position		
Net investment in capital assets	14,088,018	10,368,126
Restricted	10,102,531	8,660,174
Unrestricted (deficit)	(53,913,634)	(63,023,244)
Total Net Position	\$ (29,723,085)	\$ (43,994,944)

MANAGEMENT'S DISCUSSION AND ANALYSIS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

The results of the fiscal year's operations for the District as a whole are presented in the Statement of Activities, which shows the change in total net position for the year:

	<u>2024</u>	<u>2023</u>
Program Revenues		
Charges for services	\$ 3,432,908	\$ 3,531,943
Operating grants	24,416,278	22,356,310
General Revenues		
Property taxes	22,544,118	20,480,870
State school aid, unrestricted	34,360,208	32,532,461
Interest and investment earnings	2,102,267	1,614,028
Other	2,685,469	1,737,615
Total Revenues	<u>89,541,248</u>	<u>82,253,227</u>
Expenses		
Instruction	21,009,398	40,719,699
Supporting services	40,730,320	24,712,098
Community services	2,645,905	3,125,628
Food service	3,205,356	2,617,606
Interest on long-term debt	7,619,178	5,844,374
Other	59,232	611,930
Total Expenses	<u>75,269,389</u>	<u>77,631,335</u>
Change in Net Position	14,271,859	4,621,892
Net Position, Beginning of Year	<u>(43,994,944)</u>	<u>(48,616,836)</u>
Net Position, End of Year	<u><u>\$ (29,723,085)</u></u>	<u><u>\$ (43,994,944)</u></u>

Financial Analysis of the District as a Whole

Total revenues exceeded expenses by \$14.3 million on the Statement of Activities, increasing total net position from a deficit of \$43,994,944 at June 30, 2023 to a deficit of \$29,723,085 at June 30, 2024. Unrestricted net position increased by \$9,109,610, to a deficit of \$53,913,634 at June 30, 2024. The District's net pension liability, including deferred outflows and inflows of resources, decreased by \$2,254,755 during the fiscal year, and its net OPEB liability, including deferred outflows and inflows of resources, decreased by \$4,525,328.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

The District's financial position is the product of various financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation and amortization of capital assets. A large portion of the District's net position reflects investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress); less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, they are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's total revenues increased by \$7.3 million to \$89.5 million. Property taxes and unrestricted State aid accounted for most of the District's revenue, contributing about 63.6% of the total revenue. Another 27.3% came from state and federal aid for specific programs and the remaining 9.2% from fees charged for services, interest earnings and other local sources.

The total cost of all programs decreased by 3.0% to \$75.3 million. The District's expenses are predominantly related to instruction (27.9%) and supporting services (54.1%), which includes various functions such as caring for (pupil services) and transporting students, and general, operating, and maintenance administrative services.

- The table below reflects the District's student F.T.E. (full time equivalent) increases over the last 23 years.

September	Increase Student FTE	Percentage Increase
2001	126	5.0%
2002	154	5.8%
2003	92	3.4%
2004	138	4.8%
2005	70	2.3%
2006	74	2.4%
2007	21	0.7%
2008	23	0.7%
2009	85	2.6%
2010	76	2.2%
2011	90	2.6%
2012	100	2.8%
2013	141	3.8%
2014	2	0.0%
2015	96	2.5%
2016	70	1.8%
2017	59	1.5%
2018	188	4.7%
2019	84	2.0%
2020	46	1.1%
2021	140	3.3%
2022	0	0.0%
2023	79	1.8%

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 accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The District utilizes 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, a reconciliation is provided in separate statements explaining the relationship (or differences) between them.
- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others, such as Private Purpose Scholarship Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Byron Center Public School's funds are described as follows:

Major Funds

General Fund

The General Fund is the District's primary operating fund. The General Fund had total revenues of \$64,971,578, other financing sources of \$49,708, total expenditures of \$62,393,665, and other financing uses of \$299,276. The ending fund balance was \$16,742,267 at June 30, 2024, up from \$14,413,922 at June 30, 2023.

Capital Projects Funds

The District has two major Capital Projects Funds. The Building and Site Sinking and the 2023 Construction Capital Projects funds. The funds had total revenues of \$2,767,322 and total expenditures of \$14,201,661. The Capital Projects Funds had total ending fund balances of \$14,994,284 at June 30, 2024, down from \$26,428,623 at June 30, 2023.

Nonmajor Funds

Special Revenue Funds

The District operated three Special Revenue Funds during the fiscal year: the Food Service, Community Service, and Student/School Activity funds. The funds had total revenue of \$7,594,374, total other financing sources of \$404,185, total expenditures of \$7,134,537, and total other financing uses of \$129,909. The Special Revenue Funds had total ending fund balances of \$5,539,170 at June 30, 2024, up from \$4,805,057 at June 30, 2023. Of the ending fund balances \$1,160,149 is attributed to the Food Service Fund, \$3,487,846 is attributed to the Community Service Fund, and \$891,175 is attributed to the Student/School Activity Fund.

Debt Service Funds

The District operates nine Debt Service Funds. The funds had total revenues of \$12,747,543, total other financing sources of \$2,662,489 (primarily consisting of proceeds from the School Bond Loan Fund), total expenditures of \$15,389,150, and total other financing uses of \$28,802. The Debt Service Funds had total ending fund balances of \$129,818 at June 30, 2024, down from \$137,738 at June 30, 2023.

Capital Projects Fund

There are four nonmajor Capital Projects Funds incorporated into the financial statements of the District. The funds had total revenues of \$308,575, total other financing sources of \$25,000, and total expenditures of \$9,056,618. The Capital Projects Funds had total ending fund balances of \$5,626,658 at June 30, 2024, down from \$14,374,701 at June 30, 2023.

Fiduciary Funds

Trust and Agency Funds

The Scholarship Funds are operated as Fiduciary Funds of the District. The assets of these funds are being held for the benefit of the District's students. The Scholarship Fund balance at June 30, 2024 was \$13,093.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget on three (3) separate occasions. The budget amendments were a result of the following:

- The first budget revision in December 2023 reflected the actual student count and staffing costs based upon actual data in lieu of assumptions. As with all "first" revisions, the assumptions are now supported by factual staffing positions which were unknown at the July 1st budget adoption. The District also adjusted the budget to account for federal funding and amounts for local special education.
- The second budget revision in March 2024, refined State Aid revenue, Federal revenues, and grants awarded. On the expenditure side, the budget was revised for the effects of open enrollment for insurance plans, an increase in professional development, and expenditures related to contracted expenditures.
- The third budget revision in June 2024 again refined State Aid revenue, transportation revenue, local property tax collections from our three major governmental units, and Federal revenues. On the expenditure side, the refinement of outflows was reviewed and projected.
- This particular year it was determined only three (3) budget revisions were necessary.

Capital Asset and Debt Administration

By the end of 2024, the District had invested \$265.8 million in a broad range of capital assets, including land, school buildings, athletic facilities, vehicles, and administrative offices. (More detailed information about capital assets can be found in Note E in the Notes to Basic Financial Statements.) Total depreciation and amortization expense for the year was \$5.26 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

At June 30, 2024, the District's investment in capital assets and construction in progress (net of accumulated depreciation and amortization), which increased by approximately \$18.38 million from the previous year-end, is detailed as follows:

Land	\$ 7,266,787
Construction in progress	13,236,585
Land improvements	5,490,754
Buildings and additions	158,532,453
Furniture and equipment	3,471,988
Vehicles	1,565,606
Subscription-based IT arrangements	218,565
	<hr/>
Net Capital Assets	\$ 189,782,738

Long-term Obligations

At year end, the District had total long-term obligations totaling \$191.12 million, including \$154,040,000 of general obligation bonds. (More detailed information about long-term debt can be found in Note F in the Notes to Basic Financial Statements.)

- The District continued to pay down its debt, retiring \$8,350,000 of outstanding bonds and loans.
- The District obtained \$2,633,687 from the Michigan School Bond Loan Fund for payment of annual maturities of its general obligation bonds during the fiscal year.
- The District entered into additional subscription-based IT arrangements; the liability outstanding at year-end totaled \$125,334.

The District's underlying rating on the unlimited tax bonds is AA- by Standard and Poor's. The unlimited bonds also carry the State's credit rating of AA- by Standard & Poor's. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within a district's boundaries. We present more detailed information about our long-term liabilities in the Notes to Basic Financial Statements.

Factors Bearing on the District's Future

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

- The District's student growth count has been beneficial the last twenty (20) years to maintain programs and staff. Student count is a variable that is difficult to predict during challenging economic times. The District utilizes an outside firm (Stanfred & Assoc.) to analyze existing student count and project future student growth for budget purposes. The District received a net 78.74 new students in October 2023 compared to the first count in October 2022. The District had projected no increase of students, so the increase was greater than anticipated. The enrollment is a result of an additional housing supply and quality educational programs. As a note to the reader, the growth in student count continues to support the District's "Growth and Capacity" study and act upon the student growth via additional educational space at the K-6 grades.
- During 2023-24, the District received a net of \$9,608 per student in State funds in the form of a foundation allowance and local operating taxes. The deduction of \$470 per pupil in fiscal year 2009-10 remains permanently deducted from the State Aid Foundation Allowance. Prior to the "resetting" Byron Center Public Schools received \$7,886 per student, \$1,722 per student increase during the thirteen-year period. Overall, the State Aid Foundation Allowance is not keeping pace with managed costs within the District. During the 2023-24 fiscal year the State Aid Foundation Allowance increased by \$458 from the prior year. This continues to be some of the largest increases the District has received since Proposal A took effect.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Byron Center Public Schools, 8542 Byron Center Avenue SW, Byron Center, Michigan 49315. Contact by e-mail: tpowers@bcpsk12.net. Contact by phone: (616) 878-6100.

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BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

BYRON CENTER PUBLIC SCHOOLS
June 30, 2024

	Governmental Activities
Assets	
Cash	\$ 647
Cash equivalents and investments (Note B)	42,065,577
Accounts receivable	25,366
Due from other governmental units (Note C)	9,664,292
Inventory	32,865
Prepaid expenses	365,864
Capital assets not being depreciated (Note E)	20,503,372
Capital assets being depreciated and amortized, net (Note E)	169,279,366
Net OPEB asset (Note H)	1,472,419
Total Assets	243,409,768
Deferred Outflows of Resources	
Loss on advance bond refundings, net	215,250
Deferred pension amounts	26,079,356
Deferred OPEB amounts	5,722,725
Total Deferred Outflows of Resources	32,017,331
Liabilities	
Accounts payable	1,970,829
Due to other governmental units	2,258,741
Accrued interest payable	1,123,225
Salaries payable	2,233,271
Unearned revenue	2,634,573
Long-term liabilities (Note F):	
Due within one year	8,994,422
Due in more than one year	182,127,308
Net pension liability (Note G)	83,793,396
Total Liabilities	285,135,765

STATEMENT OF NET POSITION (Continued)

BYRON CENTER PUBLIC SCHOOLS
June 30, 2024

Deferred Inflows of Resources

Deferred pension amounts	\$ 8,469,031
Deferred OPEB amounts	11,545,388
Total Deferred Inflows of Resources	<u>20,014,419</u>

Net Position

Net investment in capital assets	14,088,018
Restricted for:	
Capital projects	5,556,768
Debt service	(993,407)
Community services	3,487,846
Food service	1,160,149
Student/school activity	891,175
Unrestricted (deficit)	<u>(53,913,634)</u>
Total Net Position	<u>\$ (29,723,085)</u>

STATEMENT OF ACTIVITIES

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants	
Governmental Activities				
Instruction	\$ 21,009,398	\$ 1,885	\$ 19,352,055	\$ (1,655,458)
Supporting services	40,730,320	272,121	1,811,345	(38,646,854)
Community services	2,645,905	2,763,430	211,069	328,594
Food service	3,205,356	395,472	3,041,809	231,925
Interest on long-term debt	7,619,178	-	-	(7,619,178)
Other	59,232	-	-	(59,232)
Total Governmental Activities	\$ 75,269,389	\$ 3,432,908	\$ 24,416,278	(47,420,203)
General Revenues				
Taxes:				
				8,144,880
				12,647,709
				1,751,529
				34,360,208
				2,102,267
				2,685,469
				<u>61,692,062</u>
				14,271,859
				<u>(43,994,944)</u>
				<u>\$ (29,723,085)</u>

**BALANCE SHEET
GOVERNMENTAL FUNDS**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024**

	General	Building and Site Sinking	2023 Construction	Nonmajor	Total
Assets					
Cash	\$ -	\$ -	\$ -	\$ 647	\$ 647
Cash equivalents and investments (Note B)	14,165,646	5,833,010	10,585,118	11,481,803	42,065,577
Accounts receivable	25,366	-	-	-	25,366
Due from other funds (Note D)	1,643	-	-	250,624	252,267
Due from other governmental units (Note C)	9,664,292	-	-	-	9,664,292
Inventory	-	-	-	32,865	32,865
Prepaid expenditures	352,412	-	-	13,452	365,864
Total Assets	\$ 24,209,359	\$ 5,833,010	\$ 10,585,118	\$ 11,779,391	\$ 52,406,878
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 538,935	\$ 265,504	\$ 1,122,602	\$ 43,788	\$ 1,970,829
Due to other funds (Note D)	33,887	-	-	218,380	252,267
Due to other governmental units	2,144,190	35,738	-	78,813	2,258,741
Salaries payable	2,210,886	-	-	22,385	2,233,271
Unearned revenue	2,539,194	-	-	95,379	2,634,573
Total Liabilities	7,467,092	301,242	1,122,602	458,745	9,349,681
Fund Balances (Note A)					
Nonspendable	352,412	-	-	46,317	398,729
Restricted	-	4,335,952	9,462,516	11,471,397	25,269,865
Committed	2,389,327	1,195,816	-	-	3,585,143
Assigned	206,833	-	-	-	206,833
Unassigned	13,793,695	-	-	(197,068)	13,596,627
Total Fund Balances	16,742,267	5,531,768	9,462,516	11,320,646	43,057,197
Total Liabilities and Fund Balances	\$ 24,209,359	\$ 5,833,010	\$ 10,585,118	\$ 11,779,391	\$ 52,406,878

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

BYRON CENTER PUBLIC SCHOOLS
June 30, 2024

Total governmental fund balances		\$ 43,057,197
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$265,780,925 and accumulated depreciation is \$75,998,187.		189,782,738
Net bond refunding losses are not expensed but are amortized over the life of the new bond issue on the Statement of Activities.		215,250
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	\$ (154,040,000)	
Bond premium, unamortized	(19,694,108)	
Subscription-based IT arrangements	(125,334)	
State school bond loan (including accrued interest)	(17,139,702)	
Accumulated sick leave	(122,586)	(191,121,730)
Accrued interest on general obligation bonds is not included as a liability in governmental funds.		(1,123,225)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(83,793,396)	
Deferred outflows of resources	26,079,356	
Deferred inflows of resources	(8,469,031)	(66,183,071)
Net OPEB asset and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB asset	1,472,419	
Deferred outflows of resources	5,722,725	
Deferred inflows of resources	(11,545,388)	(4,350,244)
Total net position - governmental activities		<u>\$ (29,723,085)</u>

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**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

**BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2024**

	General	Building and Site Sinking	2023 Construction
Revenues			
Local sources	\$ 9,447,970	\$ 1,973,001	\$ 794,321
Non-educational entity sources	-	-	-
State sources	46,980,742	-	-
Federal sources	3,632,852	-	-
Interdistrict sources	4,910,014	-	-
Total Revenues	64,971,578	1,973,001	794,321
Expenditures			
Instruction	39,594,970	-	-
Supporting services	22,294,189	605	-
Food service	-	-	-
Community services	164,861	-	-
Payments to other governmental and not-for-profit entities	28,800	-	-
Facilities acquisition, construction, and improvements	272,988	1,337,273	12,863,783
Debt service:			
Principal repayment	32,688	-	-
Interest and fiscal charges	5,169	-	-
Total Expenditures	62,393,665	1,337,878	12,863,783
Excess (Deficiency) of Revenues Over Expenditures	2,577,913	635,123	(12,069,462)
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	7,920	-
Proceeds from school bond loan fund	-	-	-
Inception of subscription-based IT arrangements	40,904	-	-
Transfers in	-	-	-
Transfers out	-	(299,276)	-
Other transactions	884	-	-
Total Other Financing Sources (Uses)	(249,568)	-	-
Net Change in Fund Balances	2,328,345	635,123	(12,069,462)
Fund Balances, Beginning of Year	14,413,922	4,896,645	21,531,978
Fund Balances, End of Year	\$ 16,742,267	\$ 5,531,768	\$ 9,462,516

Nonmajor	Total
\$ 17,397,614	\$ 29,612,906
211,069	211,069
1,716,917	48,697,659
1,324,892	4,957,744
-	4,910,014
<u>20,650,492</u>	<u>88,389,392</u>
-	39,594,970
1,309,494	23,604,288
3,555,440	3,555,440
2,599,976	2,764,837
-	28,800
8,723,599	23,197,643
8,356,784	8,389,472
7,035,012	7,040,181
<u>31,580,305</u>	<u>108,175,631</u>
<u>(10,929,813)</u>	<u>(19,786,239)</u>
-	7,920
2,633,687	2,633,687
-	40,904
457,987	457,987
(158,711)	(457,987)
-	884
<u>2,932,963</u>	<u>2,683,395</u>
(7,996,850)	(17,102,844)
<u>19,317,496</u>	<u>60,160,041</u>
<u>\$ 11,320,646</u>	<u>\$ 43,057,197</u>

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2024

Net change in fund balances - total governmental funds \$ (17,102,844)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlays	\$ 23,650,592	
Depreciation and amortization expense	<u>(5,264,754)</u>	18,385,838

In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increased financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold/retired. (8,442)

Upon inception of subscription-based IT arrangements, other financing sources were recognized in the governmental funds, but increased long-term liabilities in the Statement of Net Position. (40,904)

Proceeds from the sale of bond (including bond premiums), or loans, are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position. (2,633,687)

State school bond loan fund

Bond premiums are amortized over the life of the new bond issue on the Statement of Activities. 1,110,068

Losses on advanced bond refunding are amortized over the life of the new bond issue on the Statement of Activities. (29,910)

Repayment of long-term liabilities is an expenditure in the governmental fund, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities:

General obligation bonds	8,350,000	
Subscription-based IT arrangements	<u>39,472</u>	8,389,472

Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid.

General obligation bonds		56,041
State school bond loan fund		<u>(635,038)</u>

In the Statement of Net Position, accumulated sick leave is measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of finance resources used (essentially, the amounts actually paid). This year the amount of these benefits used/paid exceeded the amounts earned by \$1,182. 1,182

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (Cont.)**

**BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2024**

The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	\$ 2,254,755
The changes in net OPEB asset and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	<u>4,525,328</u>
Total changes in net assets - governmental activities	<u><u>\$ 14,271,859</u></u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND**

**BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2024**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Local sources	\$ 9,560,899	\$ 9,395,785	\$ 9,447,970	\$ 52,185
State sources	46,367,201	47,021,048	46,980,742	(40,306)
Federal sources	3,039,857	3,644,926	3,632,852	(12,074)
Interdistrict sources	4,807,344	4,886,045	4,910,014	23,969
Total Revenues	63,775,301	64,947,804	64,971,578	23,774
Expenditures				
Current:				
Instruction:				
Basic programs	34,486,577	32,977,722	33,009,007	(31,285)
Added needs	6,374,331	6,731,410	6,585,963	145,447
Supporting services:				
Pupil services	4,108,695	4,082,041	4,012,339	69,702
Instructional staff services	1,230,645	1,533,062	1,491,205	41,857
General administrative services	686,262	654,404	627,119	27,285
School administrative services	2,841,975	2,952,559	2,915,535	37,024
Business services	1,214,243	1,256,429	1,089,155	167,274
Operation and maintenance services	5,233,358	5,669,198	5,467,125	202,073
Pupil transportation services	3,018,524	3,147,184	2,978,971	168,213
Central services	1,752,211	2,112,290	2,014,521	97,769
Other supporting services	1,695,474	1,758,963	1,698,219	60,744
Community services	149,892	165,183	164,861	322
Payments to other governmental and not-for-profit entities	-	28,800	28,800	-
Facilities acquisition, construction, and improvements	-	272,989	272,988	1
Debt service:				
Principal repayment	-	32,685	32,688	(3)
Interest and fiscal charges	-	5,165	5,169	(4)
Total Expenditures	62,792,187	63,380,084	62,393,665	986,419
Excess (Deficiency) of Revenues Over Expenditures	983,114	1,567,720	2,577,913	1,010,193
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	7,920	7,920	-
Inception of subscription-based IT arrangements	-	-	40,904	40,904
Transfers out	(416,627)	(327,871)	(299,276)	28,595
Other transactions	-	882	884	2
Total Other Financing Sources (Uses)	(416,627)	(319,069)	(249,568)	69,501
Net Change in Fund Balances	566,487	1,248,651	2,328,345	1,079,694
Fund Balances, Beginning of Year	14,413,922	14,413,922	14,413,922	-
Fund Balances, End of Year	\$ 14,980,409	\$ 15,662,573	\$ 16,742,267	\$ 1,079,694

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024**

	<u>Private Purpose Trust Fund</u>
Assets	
Cash equivalents (Note B)	\$ 13,093
Liabilities	
	<u>-</u>
Net Position	
Restricted for: Individuals and organizations	<u>\$ 13,093</u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

**BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2024**

	<u>Private Purpose Trust Fund</u>
Additions	
Interest earnings	\$ 348
Donations	<u>600</u>
Total Additions	<u>948</u>
Deductions	
Endowment activities - scholarships	<u>300</u>
Change in Net Position	648
Net Position, Beginning of Year	<u>12,445</u>
Net Position, End of Year	<u><u>\$ 13,093</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Byron Center Public Schools (the “District”) was organized under the School Code of the State of Michigan and services a population of approximately 4,505 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, preschool programs, athletic activities, special education, vocational education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District’s significant accounting policies are described below.

1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District’s financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

2. District-wide and Fund Financial Statements

District-wide Financial Statements - The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. The District does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The Statement of Net Position is reported on the full accrual, economic resources basis, which recognizes all long-term assets as well as all long-term debt and obligations. The District’s net position is reported in three parts: investment in capital assets, net of related debt; restricted net position, and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, unrestricted state aid, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund, the Building and Site Sinking Fund, and the 2023 Construction Capital Projects Fund are the District's major funds. Nonmajor funds are aggregated and presented in a single column.

Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities, and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the district-wide level. Reconciliations between the two sets of statements are provided separately.

Revenues are recognized when susceptible to accrual, i.e., both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Revenues susceptible to accrual are property taxes, State aid, federal and interdistrict revenues and investment income. Other revenues are recognized when received. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of the qualifying expenditures.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenues from State sources are primarily governed by the School Aid Act and the School Code of Michigan. The state portion of the foundation is provided from the State's School Aid Fund and is recognized as revenues in accordance with State law and accounting principles generally accepted in the United States of America.

Governmental Funds

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use, and balances of a school district's expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Fund—The General Fund is the general operating fund of a school district. It is used to account for all financial resources, except those required to be accounted for in another fund. Included are all transactions related to the current operating budget.

Special Revenue Funds—Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

School Service Funds—School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. A school district maintains full control of these funds. The School Service Funds maintained by the District are the Food Service, Community Service, and the Student/School Activity Funds.

Debt Service Funds—Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt (bonds, notes, loans, leases, and school bond loan) principal, interest, and related costs.

Capital Projects Funds—Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished. The District currently maintains a 2017 Construction Fund, 2020 Construction Fund, 2022 Technology and Buses Fund, 2023 Construction Fund, and a Building and Site Sinking Fund.

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of Section 1351a of the State of Michigan's School Code. For capital project activities funded with sinking fund millage, the District has complied with the applicable provisions of Section 1212 (l) of the Revised School Code and the State of Michigan Department of Treasury Numbered Letter 2023-1.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by a school district in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Trust Funds—Trust Fund net position and results of operations are not included in the district-wide financial statements. Trust funds are reported using the economic resources measurement focus.

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

4. Budgets and Budgetary Accounting

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

Byron Center Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Starting in the spring, District administrative personnel and department heads work with the Superintendent and Chief Financial Officer to establish proposed operating budgets for the fiscal year commencing the following July 1.
- In June, preliminary operating budgets are submitted to the Board of Education. These budgets include proposed expenditures and the means of financing them.
- Prior to June 30, a public hearing is held to obtain taxpayer comments on the proposed budgets.
- After the budgets are finalized, the Board of Education adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).
- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the governmental funds. There were no substantial encumbrances outstanding at year end.

6. Investments

Investments are recorded at fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

7. Inventories/Prepaid Items

Inventories are valued at cost (first-in, first-out), and are accounted for using the consumption method. Inventories of the Food Service Fund consist of food, and other nonperishable supplies. Disbursements for inventory-type items are recorded as expenditures at the time of use for each fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

8. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the district-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related assets.

Land improvements, buildings and improvements, furniture and equipment, vehicles, and subscription-based IT arrangements are depreciated/amortized using the straight-line method over the shorter of the following estimated useful lives/noncancellable contract period:

Land improvements	10 - 20 years
Buildings and improvements	40 - 50 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 10 years
Subscription-based IT arrangements	2 - 5 years

9. Long-term Obligations

In the district-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. Bonds payable are reported at the total amount of bonds issued.

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 issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

10. Accumulated Vacation/Sick Leave

Accumulated vacation/sick leave at June 30, 2024 has been computed and recorded in the basic financial statements of the District. Employees who leave the District are entitled to reimbursement for a portion of their unused vacation/sick days. At June 30, 2024, the accumulated liabilities, including salary related payments, (expected to be financed by General Fund revenues) for accumulated vacation/sick leave was \$122,586.

11. Retirement Plan

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, were implemented by the District during the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, the Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Cost sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans – pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

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

12. Postemployment Benefits Other Than Pensions

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented by the District during the fiscal year ended June 30, 2018. This Statement establishes standards for recognizing and measuring other postemployment benefits (OPEB) liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB plans, the Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about OPEB are also addressed. Distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet specific criteria. Cost-sharing employers are those whose employees are provided with defined benefit OPEB through cost-sharing multiple-employer OPEB plans—OPEB plans in which the OPEB obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides OPEB through the OPEB plan.

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

13. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three such items that qualify for reporting in this category: the deferred charge on a previous year's bond refunding, the deferred outflows of resources relating to the recognition of net pension liability on the financial statements and the deferred outflows of resources relating to the recognition of net OPEB asset on the financial statements.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category: the deferred inflows of resources relating to the recognition of net pension liability on the financial statements and the deferred inflows of resources relating to the recognition of net OPEB asset on the financial statements.

14. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws, or regulations from other governments.

15. Fund Balances

As of July 1, 2010, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The stated objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, detailed as follows:

- **Nonspendable** – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).
- **Restricted** – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.
- **Committed** – resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts. Committed fund balance does not lapse at year end.

- Assigned – resources that are constrained by the government’s *intent* to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes. Byron Center Public Schools’ Board of Education has delegated authority to assign fund balances for a specific purpose to the CFO. Assigned fund balance does not lapse at year end.
- Unassigned – unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Byron Center Public Schools has established a policy for its use of unrestricted fund balance amounts, and the District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The District’s Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without unnecessary borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Education. It is recognized that it will not always be possible to avoid borrowing to provide cash flow.

The Board recognizes that good fiscal management comprises the foundational support of the entire District. To make that support as effective as possible, the Board intends to maintain a fund balance of 10% of the District General Fund annual operating expenditures.

16. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

17. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note B – Cash Equivalents and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.
- Investment pools, as authorized by the Surplus Funds Investment Pool Act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for the direct investment by a school district in Michigan.

Balances at June 30, 2024 related to cash equivalents and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Position:	
Governmental activities	\$ 42,065,577
Fiduciary Funds:	
Trust and Agency Funds	<u>13,093</u>
	<u>\$ 42,078,670</u>

Cash Equivalents

Depositories actively used by the District during the year are detailed as follows:

1. United Bank
2. Salt Lake City Bank

Cash equivalents consist of bank interest-earning accounts. United Bank is utilized by all funds of the District. Salt Lake City Bank is used to pay referees in the District's athletics programs.

Balances at June 30, 2024 related to cash equivalents are detailed in the Basic Financial Statements as follows:

Cash equivalents	<u>\$ 15,433,364</u>
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NOTES TO BASIC FINANCIAL STATEMENTS

Custodial Credit Risk Related to Bank Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Protection of District deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents was \$15,433,364 and the bank balance was \$18,738,195. The District's deposits are fully protected by the Federal Deposit Insurance Corporation through the use of placing deposits at other financial institutions through IntraFi Cash Service Deposit Placement.

Investments

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

Michigan Liquid Asset Fund Plus (MILAF+) – Cash Management	\$ 11,559,306
Michigan Liquid Asset Fund Plus (MILAF+) – MAX Class	15,086,000
	<hr/>
	\$ 26,645,306
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The Michigan Liquid Asset Fund Plus (MILAF+) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF+ is not regulated or registered with the Securities Exchange Commission. The MILAF+ Fund is carried at amortized cost and was rated AAAM by Standard & Poor's rating agency. The MILAF+ MAX Class requires a 14-day redemption notice.

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by State statute, and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business. At June 30, 2024, the District had no investments that were subject to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy does not specifically address credit risk but minimizes its credit risk by limiting investments to the types allowed by the State.

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 funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements. The District's investment policy requires that maturities do not exceed two years.

Concentration of Credit Risk

The District minimizes 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. The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security. Excluding pooled investments, no single investment exceeded 5% of total investments at June 30, 2024

Foreign Currency Risk

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

Note C – State School Aid/Property Taxes

On March 15, 1994, the voters of the State of Michigan approved Proposal A, which increased the State Sales and Use Tax rates from 4% to 6% and established a State Education Tax at a rate of 6 mills on all property, except that which is exempt by law from ad valorem property taxes, and dedicated the additional revenues generated to Michigan school districts.

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February 2023 and October 2023. The 2023-24 "Foundation Allowance" for Byron Center Public Schools was \$9,608 for 4,496 "Full Time Equivalent" students, generating \$49,404,843 in state aid payments to the District of which \$8,971,502 was paid to the District in July and August 2024 and included in "Due From Other Governmental Units" of the General Fund.

Property taxes for the District are levied July 1 and December 1 (the tax lien date) under a split-levy system by the City of Wyoming, the Townships of Byron and Dorr, and the Charter Township of Gaines, and are due 75 days after the levy date. The taxes are then collected by each governmental unit and remitted to the District. The Counties of Kent and Allegan, through their Delinquent Tax Revolving Fund, advance all delinquent real property taxes at March 1 to the District each year prior to June 30.

Section 1211(1) of 1993 PA 312 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

As Byron Center Public Schools' electors had previously (May 7, 2019) approved an operating millage extension, the 18 mill non-homestead property tax, due to Headlee rollbacks only 16.8460 was levied in the District in 2023.

The District levied 7.0 mills in 2023 for debt service purposes and 0.9694 mills for building and site, applied on all taxable property in the District.

Taxable property in the District is assessed initially at 50% of true cash value by the assessing officials of the various units of government that comprise the District. These valuations are then equalized by the county and finally by the State of Michigan, generating the State Equalized Valuation. Taxable valuation increases will be limited, or capped (known as capped valuation), at 5% or the rate of inflation, whichever is less. With the implementation of Proposal A and Public Act 36, taxable property is now divided into two categories: PRE and NPRE.

A principal residence exemption property (PRE) is exempt from the 18 mill "School Operating" tax. It is not exempt from the 6 mill "State Education" tax, any voted "Local Enhancement Millage" nor any additional voted millage for the retirement of debt.

Non-principal residence exemption property (NPRE) is subject to all District levies. However, since Public Act 36, establishing the Michigan Business Tax, was signed into law, Public Acts 37-40 of 2007 now exempt Industrial Personal Property from the 6 mill State Education Tax and up to 18 mills of local school district operating millage (includes property under Industrial Facilities Tax exemptions); and exempt Commercial Personal Property from up to 12 mills of local school district operating millage (exceptions may apply).

The District is subject to tax abatements granted by the County of Kent with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assists in the building of new facilities, and promotes the establishment of high-tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term up to 12 years as determined by the local unit of government. The agreements entered into by each local unit include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The tax abated property taxes are calculated by applying half the local property tax millage rate on the total IFT taxable value. This amounts to a reduction in property tax revenue of approximately 50%.

For the year ended June 30, 2024, the District's property tax revenues were reduced by approximately \$164,768 under these agreements.

NOTES TO BASIC FINANCIAL STATEMENTS

Note D – Interfund Transfers and Receivables/Payables

Amounts due from/to other funds representing interfund receivables and payables for cash flow advances at June 30, 2024 are detailed as follows:

	<u>Due From</u>	<u>Due To</u>
Major Fund		
General Fund:		
Special Revenue Funds:		
Food Service	\$ 31	\$ 2,117
Community Service	1,554	-
Student/School Activity	58	31,770
Total Major Fund	<u>1,643</u>	<u>33,887</u>
Nonmajor Funds		
Special Revenues Funds:		
Food Service:		
General Fund	2,117	31
Community Service:		
General Fund	-	1,554
Student/School Activity	31,770	58
Debt Service Funds:		
2020 Debt:		
2019 Refunding	-	138,163
2022 Debt	-	78,574
2019 Refunding:		
2020 Debt	138,163	-
2022 Debt:		
2020 Debt	78,574	-
Total Nonmajor Funds	<u>250,624</u>	<u>218,380</u>
Total All Funds	<u>\$ 252,267</u>	<u>\$ 252,267</u>

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

Interfund transfers during the year ended June 30, 2024 were as follows:

Major Fund	Transfers In	Transfers Out
General Fund:		
Special Revenue Funds:		
Community Service	\$ -	\$ 274,276
Capital Projects Funds:		
PWE	-	25,000
Total Major Fund	-	299,276
Nonmajor Funds		
Special Revenue Funds:		
Community Service:		
General Fund	274,276	-
Student/School Activity	-	129,909
Student/School Activity:		
Community Service	129,909	-
Debt Service Funds:		
2019 Refunding:		
2016 SBLF	19,477	-
2018 Refunding	9,325	-
2016 SBLF:		
2019 Refunding	-	19,477
2018 Refunding:		
2019 Refunding	-	9,325
Capital Projects Funds:		
PWE:		
General Fund	25,000	-
Total Nonmajor Funds	457,987	158,711
Total All Funds	\$ 457,987	\$ 457,987

Interfund transfers are essential to maintain the different funds of the District. The transfers assist the fund with cash flow, payroll, and employee benefits. The District's intent is to appropriate expenditures to these funds on an actual basis to show the true costs of operation for these programs. By making the interfund transfers these expenditures can be allocated to each program as they occur.

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

Note E – Capital Assets

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

	Balances July 1, 2023	Additions	Deductions	Balances June 30, 2024
Capital assets not being depreciated:				
Land	\$ 7,266,787	\$ -	\$ -	\$ 7,266,787
Construction in progress	38,206,391	22,362,287	47,332,093	13,236,585
Total capital assets not being depreciated	<u>45,473,178</u>	<u>\$ 22,362,287</u>	<u>\$ 47,332,093</u>	<u>20,503,372</u>
Capital assets being depreciated and amortized:				
Land improvements	19,084,749	\$ 2,690,720	\$ -	21,775,469
Buildings and improvements	159,632,786	43,936,667	-	203,569,453
Furniture and equipment	13,408,546	1,383,727	-	14,792,273
Vehicles	4,186,613	568,380	168,832	4,586,161
Intangible right-to-use assets:				
Subscription-based IT arrangements	513,293	40,904	-	554,197
Total capital assets being depreciated and amortized	<u>196,825,987</u>	<u>\$ 48,620,398</u>	<u>\$ 168,832</u>	<u>245,277,553</u>
Less accumulated depreciation and amortization for:				
Land improvements	15,301,764	\$ 982,951	\$ -	16,284,715
Buildings and improvements	41,838,240	3,198,760	-	45,037,000
Furniture and equipment	10,728,752	591,533	-	11,320,285
Vehicles	2,857,251	323,694	160,390	3,020,555
Intangible right-to-use assets:				
Subscription-based IT arrangements	167,816	167,816	-	335,632
Total accumulated depreciation and amortization	<u>70,893,823</u>	<u>\$ 5,264,754</u>	<u>\$ 160,390</u>	<u>75,998,187</u>
Total capital assets being depreciated and amortized, net	<u>125,932,164</u>			<u>169,279,366</u>
Net Capital Assets	<u>\$ 171,405,342</u>			<u>\$ 189,782,738</u>

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 1,978,638
Supporting services	2,951,813
Community services	146,513
Food service	187,790
	<u>\$ 5,264,754</u>

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

Note F – Long-term Obligations

Changes in long-term obligations for the year ended June 30, 2024 are summarized as follows:

	Debt Outstanding July 1, 2023	Debt Added	Debt Retired	Debt Outstanding June 30, 2024
General obligation bonds:				
May 18, 2016	\$ 2,500,000	\$ -	\$ 2,500,000	\$ -
June 28, 2017	52,370,000	-	1,175,000	51,195,000
February 27, 2018	1,125,000	-	1,125,000	-
October 30, 2019	11,960,000	-	-	11,960,000
February 5, 2020	12,110,000	-	1,560,000	10,550,000
June 29, 2020	46,770,000	-	970,000	45,800,000
May 12, 2021	11,860,000	-	1,020,000	10,840,000
February 24, 2022	2,885,000	-	-	2,885,000
May 8, 2023	20,810,000	-	-	20,810,000
Bond premium	20,804,176	-	1,110,068	19,694,108
Subscription-based IT arrangements	123,902	40,904	39,472	125,334
State school bond loan (including accrued interest)	13,870,977	3,268,725	-	17,139,702
Accumulated vacation/sick leave	123,768	-	1,182	122,586
	<u>\$ 197,312,823</u>	<u>\$ 3,309,629</u>	<u>\$ 9,500,722</u>	<u>\$ 191,121,730</u>

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

Long-term bonds and other obligations at June 30, 2024 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
\$56,535K Building & Site June 28, 2017: Annual maturities of \$1,235K to \$3,615K	May 1, 2047	5.00%	\$ 51,195,000	\$ 1,235,000
\$11,960K Refunding October 30, 2019: Annual maturities of \$1,860K to \$2,050K	May 1, 2030	2.20%	11,960,000	1,860,000
\$16,855K Refunding February 5, 2020: Annual maturities of \$1,460K to \$1,545K	May 1, 2031	5.00%	10,550,000	1,545,000
\$48,595K Building & Site June 29, 2020: Annual maturities of \$1,010K to \$2,775K	May 1, 2050	4.00 - 5.00%	45,800,000	1,010,000
\$13,870K Refunding May 12, 2021: Annual maturities of \$1,050K to \$1,365K	May 1, 2033	3.00 - 4.00%	10,840,000	1,050,000
\$2,885K School Technology and Bus Series II February 24, 2022: Annual maturities of \$700K to \$750K	May 1, 2028	1.82%	2,885,000	700,000
\$20,810K Building & Site May 8, 2023: Annual maturities of \$405K to \$9,070K	May 1, 2053	5.00 - 5.25%	20,810,000	405,000
Bond premium		N/A	19,694,108	1,110,068
Subscription-Based IT Arrangements				
Audience View License: Annual maturities of \$1,193 to \$7,106	September 1, 2025	4.75%	8,299	7,106
NWEA License: Annual maturities of \$6,023 to \$35,867	September 1, 2026	4.75%	76,131	34,241
HUDL License: Annual maturities of \$13,007 to \$14,272	September 14, 2027	4.75%	40,904	13,007
Other Obligations				
State school bond loan fund (including accrued interest)			17,139,702	-
Accumulated vacation/sick leave			122,586	25,000
			<u>\$ 191,121,730</u>	<u>\$ 8,994,422</u>

The District obtains loans from the Michigan School Loan Revolving Fund (SLRF) for the payment of the annual maturities of its general obligation bonds. There is no fixed maturity schedule for the repayment of these loans. Instead, the principal and interest are payable when taxes levied for debt service are no longer needed to retire bonded debt. During the year, the District borrowed \$2,633,687 and accrued interest of \$635,038 on total SLRF debt. At June 30, 2024, the District owed the SLRF a total of \$17,139,702.

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

The annual requirements to pay principal and interest on long-term bonds outstanding and subscription-based IT arrangements at June 30, 2024 are as follows:

Years Ending June 30	General Obligation Bonds		Subscription-Based IT Arrangement Liabilities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 7,805,000	\$ 6,739,345	\$ 54,354	\$ 5,953	\$ 14,604,652
2026	8,095,000	6,447,718	50,685	3,372	14,596,775
2027	8,275,000	6,144,806	20,295	964	14,441,065
2028	8,445,000	5,832,741	-	-	14,277,741
2029	7,930,000	5,501,321	-	-	13,431,321
2030	8,095,000	5,172,711	-	-	13,267,711
2031	6,210,000	4,835,075	-	-	11,045,075
2032	4,985,000	4,550,275	-	-	9,535,275
2033	5,185,000	4,341,375	-	-	9,526,375
2034	3,990,000	4,123,625	-	-	8,113,625
2035	4,170,000	3,938,875	-	-	8,108,875
2036	4,365,000	3,745,725	-	-	8,110,725
2037	4,565,000	3,543,425	-	-	8,108,425
2038	4,770,000	3,331,775	-	-	8,101,775
2039	4,990,000	3,110,525	-	-	8,100,525
2040	5,220,000	2,878,975	-	-	8,098,975
2041	5,460,000	2,636,625	-	-	8,096,625
2042	5,725,000	2,383,025	-	-	8,108,025
2043	5,950,000	2,116,925	-	-	8,066,925
2044	6,215,000	1,840,425	-	-	8,055,425
2045	6,460,000	1,549,263	-	-	8,009,263
2046	6,715,000	1,246,750	-	-	7,961,750
2047	6,980,000	932,388	-	-	7,912,388
2048	3,460,000	605,725	-	-	4,065,725
2049	3,565,000	456,013	-	-	4,021,013
2050	3,685,000	302,100	-	-	3,987,100
2051	910,000	143,325	-	-	1,053,325
2052	910,000	95,550	-	-	1,005,550
2053	910,000	47,775	-	-	957,775
	<u>\$ 154,040,000</u>	<u>\$ 88,594,179</u>	<u>\$ 125,334</u>	<u>\$ 10,289</u>	<u>\$ 242,769,802</u>

Note G – Retirement Plan

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) (the "System") is a cost-sharing, multiple-employer, state-wide, defined benefit public employee retirement plan and fiduciary component unit of 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. The board consists of twelve members – eleven appointed by the Governor, and the State Superintendent of Instruction, who serves as the ex-officio member.

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

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

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

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The age and service requirements range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by .50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age. The System also provides disability and survivor benefits to DB plan members.

Certain employees have the option to participate in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

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

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

Contributions and Funded Status

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

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

The schedule below summarizes pension contribution rates in effect for the plan fiscal year ended September 30, 2023.

Plan Name	Pension Contribution Rates:		
	Plan Status	Member	District
Basic	Closed	0.0 – 4.0 %	20.16%
Member Investment Plan (MIP)	Closed	3.0 – 7.0%	20.16%
Pension Plus	Closed	3.0 – 6.4 %	17.24%
Pension Plus 2	Open	6.2%	19.95%
Defined Contribution	Open	0.0%	13.75%

The District's contributions to MPSERS under all pension plans for the year ended June 30, 2024 inclusive of the MSPERS UAAL Stabilization, totaled \$11,240,349.

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

As of June 30, 2024, the District reported a liability of \$83,793,396 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2022. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the System during the measurement period by the percent of the pension contributions required from all applicable employers during the measurement period. As of September 30, 2023 the District's proportion was 0.25889274%, which was an increase from 0.25670023% at September 30, 2022.

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

For the year ended June 30, 2024 the District recognized pension expense of \$11,412,107. As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,645,102	\$ 128,358
Changes of assumptions	11,354,386	6,546,681
Net difference between projected and actual earnings on pension plan investments	—	1,714,684
Changes in proportion and differences between District contributions and proportionate share of contributions	1,563,822	79,308
District contributions subsequent to the measurement date*	10,516,046	—
Total	\$ 26,079,356	\$ 8,469,031

* This amount, reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

Years Ending June 30	Amount
2025	\$ 2,536,876
2026	1,797,564
2027	3,913,989
2028	(1,154,150)

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2022
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
MIP and Basic Plans (Non-Hybrid):	6.00% net of investment expenses
Pension Plus Plan (Hybrid):	6.00% net of investment expenses
Pension Plus 2:	6.00% net of investment expenses
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Cost-of-Living Adjustments:	3% annual non-compounded for MIP members
Mortality:	
Retirees:	PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Active Members:	PubT-2010 Male and Female Employee Mortality Tables scaled by 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2023 is based on the results of an actuarial valuation date of September 30, 2022 and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.4406 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at (www.michigan.gov/orsschools).

Long-Term Expected Rate of Return on Investments

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

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

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

Rate of Return

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

Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus Plan , 6.00% for the Pension Plus 2 Plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus Plan, 6.00% for the Pension Plus 2 plan). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension 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.

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan), as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease 5.00%	Current Discount Rate Assumption 6.00%	1% Increase 7.00%
District’s proportionate share of the net pension liability	\$ 113,204,632	\$ 83,793,396	\$ 59,307,478

Michigan Public School Employees’ Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Michigan Public School Employees’ Retirement System September 30, 2023 Annual Comprehensive Financial Report, available here: (www.michigan.gov/orsschools).

Payables to the Michigan Public School Employees’ Retirement System (MPERS)

Payables to the pension plan totaling \$1,408,742 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources. The payables are included in the “Due to Other Governmental Units” at June 30, 2024.

Note H – Other Postemployment Benefits

Plan Description

The Michigan Public School Employees’ Retirement System (MPERS or “System”) is a cost-sharing, multiple-employer, state-wide, defined benefit public employee retirement plan and a fiduciary component unit of 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. The board consists of twelve members– eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System’s health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees’ Retirement Act (1980 PA 300 as amended).

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

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

Benefits Provided

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

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

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

Contributions and Funded Status

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2023:

OPEB Contribution Rates:

Benefit Structure	Member	District
Premium Subsidy	3.0%	8.07%
Personal Healthcare Fund (PHF)	0.0 %	7.21%

Required contributions to the OPEB plan from the District were \$2,282,927 for the year ended June 30, 2024.

OPEB Assets, OPEB Credit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2024, the District reported an asset of \$1,472,419 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2023, and the total OPEB liability (asset) used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2022. The District's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the System during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. As of September 30, 2023 the District's proportion was 0.26028340%, which was an increase from 0.25641453% at September 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB credit of \$2,320,428. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ 11,126,354
Changes of assumptions	3,277,862	394,717
Net difference between projected and actual earnings on OPEB plan investments	4,489	—
Changes in proportion and differences between District contributions and proportionate share of contributions	456,408	24,317
District contributions subsequent to the measurement date*	1,983,966	—
Total	\$ 5,722,725	\$ 11,545,388

* This amount, reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025.

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

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

Years Ending June 30	Amount
2025	\$ (2,528,318)
2026	(2,411,709)
2027	(915,652)
2028	(890,908)
2029	(699,803)
Thereafter	(360,239)

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2022
Actuarial Cost Method:	Entry Age, Normal
Asset Valuation Method:	Fair Value
Wage Inflation Rate:	2.75%
Investment Rate of Return:	6.00% net of investment expense
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Healthcare Cost Trend Rate:	Pre-65 - 7.50% Year 1 graded to 3.5% Year 15 Post-65 - 6.25% Year 1 graded to 3.5% Year 15
Mortality:	
Retirees:	PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Active Members:	PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Other Assumptions:

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

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2023 valuation. The total OPEB liability (asset) as of September 30, 2023 is based on the results of an actuarial valuation date of September 30, 2022 and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [6.5099 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS

June 30, 2024

Long-Term Expected Rate of Return on Investments

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

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

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

Rate of Return

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

Discount Rate

A discount rate of 6.00% was used to measure the total OPEB asset. 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the 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 asset.

NOTES TO BASIC FINANCIAL STATEMENTS

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
District’s proportionate share of the net OPEB liability (asset)	\$ 1,526,457	\$ (1,472,419)	\$ (4,049,658)

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District’s proportionate share of the net OPEB liability (asset)	\$ (4,056,084)	\$ (1,472,419)	\$ 1,323,953

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued 2023 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

Payables to the OPEB plan totaling \$173,350 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources. The payables are included in the “Due to Other Governmental Units” at June 30, 2024.

Note I – Risk Management and Employee Benefits

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

There were no significant reductions in insurance coverage in fiscal 2023-24 and as of year ended June 30, 2024, there were no material pending claims against the District.

Note J – Stewardship, Compliance and Accountability

The District has an unrestricted net position deficit of \$53,913,634 and a total net position deficit of \$29,723,085, as of June 30, 2024. These deficit net positions result primarily from the net pension liability of \$66,183,071 and the net OPEB liability of \$4,350,244 (including deferred outflows and inflows of resources) related to the pension plan and OPEB plan.

Note K – Commitments

On June 28, 2017, the District issued \$56,535,000 of general obligations 2017 Construction Bonds whose proceeds are being used for land improvements, building renovations and additions, and furniture and equipment purchases. At June 30, 2024, unspent balances committed to these construction projects totaled \$834,406, which are expected to be fully expended by the year ended June 30, 2025.

On June 29, 2020, the District issued \$48,595,000 of general obligations 2020 Construction Bonds whose proceeds are being used for land improvements, building renovations and additions, and for purchases of furniture and equipment and new school buses. At June 30, 2024, unspent balances committed to these construction projects totaled \$2,249,356, which are expected to be fully expended by the year ended June 30, 2025.

On February 24, 2022, the District issued \$2,885,000 of general obligations School and Technology Bus Bonds whose proceeds are being used for technology and bus purchases. At June 30, 2024, unspent balances committed for these purchases totaled \$2,542,896, which are expected to be fully expended by the year ended June 30, 2025.

On May 8, 2023, the District issued \$20,810,000 of general obligations 2023 Construction Bonds whose proceeds are being used for building and site purposes. At June 30, 2024, unspent balances committed for these purchases totaled \$9,462,516, which are expected to be fully expended by the year ended June 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024**

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021
District's proportion of the net pension liability	0.25889274%	0.25670023%	0.25253470%	0.24990127%
District's proportionate share of the net pension liability	\$ 83,793,396	\$ 96,541,669	\$ 59,788,632	\$ 85,843,805
District's covered-employee payroll	\$ 28,648,548	\$ 26,666,035	\$ 23,080,014	\$ 22,454,672
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	292.49%	362.04%	259.05%	382.30%
Plan fiduciary net position as a percentage of the total pension liability	65.91%	60.77%	72.60%	59.72%

Note: The amounts presented for each of the last ten fiscal years were determined as of September 30 of the preceding year.

Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
0.24621827%	0.24091524%	0.23773689%	0.23274125%	0.22550901%	0.21439511%
\$ 81,539,213	\$ 72,423,470	\$ 61,607,735	\$ 58,067,038	\$ 55,080,636	\$ 47,223,746
\$ 21,852,001	\$ 20,820,987	\$ 20,055,824	\$ 19,972,998	\$ 18,908,348	\$ 18,273,073
373.14%	347.84%	307.18%	290.73%	291.30%	258.43%
60.31%	62.12%	63.96%	63.01%	66.20%	66.15%

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024**

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022
District's proportion of the net OPEB liability (asset)	0.26028340%	0.25641453%	0.25370955%
District's proportionate share of the net OPEB liability (asset)	\$ (1,472,419)	\$ 5,431,020	\$ 3,872,566
District's covered-employee payroll	\$ 28,648,548	\$ 26,666,035	\$ 23,080,014
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(5.14%)	20.37%	16.78%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	105.04%	83.09%	84.80%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
0.25228778%	0.24910151%	0.24419890%	0.23829060%
\$ 13,515,730	\$ 17,901,412	\$ 19,411,253	\$ 21,101,755
\$ 22,454,672	\$ 21,852,001	\$ 20,820,987	\$ 20,055,824
60.19%	81.92%	93.23%	105.22%
59.44%	48.46%	43.10%	36.53%

**SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024**

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022
Contractually required contribution	\$ 11,240,349	\$ 9,425,549	\$ 8,831,980
Contributions in relation to the contractually required contribution	<u>11,240,349</u>	<u>9,425,549</u>	<u>8,831,980</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 28,770,055	\$ 25,960,626	\$ 25,098,086
Contributions as a percentage of covered employee payroll	39.07%	36.31%	35.19%

Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
\$ 7,614,789	\$ 7,006,280	\$ 6,658,442	\$ 6,137,356	\$ 6,251,498	\$ 5,818,830	\$ 5,872,421
7,614,789	7,006,280	6,658,442	6,137,356	6,251,498	5,818,830	5,872,421
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$22,722,962	\$22,914,671	\$21,476,041	\$20,718,663	\$19,868,739	\$19,186,215	\$18,881,489
33.51%	30.58%	31.00%	29.62%	31.46%	30.33%	31.10%

**SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024**

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022
Contractually required contribution	\$ 2,282,927	\$ 2,077,915	\$ 1,999,036
Contributions in relation to the contractually required contribution	<u>2,282,927</u>	<u>2,077,915</u>	<u>1,999,036</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 28,770,055	\$ 25,960,626	\$ 25,098,086
Contributions as a percentage of covered employee payroll	7.94%	8.00%	7.96%

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
\$ 1,868,449	\$ 1,840,452	\$ 1,679,863	\$ 1,516,494
<u>1,868,449</u>	<u>1,840,452</u>	<u>1,679,863</u>	<u>1,516,494</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,722,962	\$ 22,914,671	\$ 21,476,041	\$ 20,718,663
8.22%	8.03%	7.82%	7.32%

Note A - Net Pension Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2023-24.

Changes of assumptions: There were no changes of benefit assumptions in 2023-24.

Note B - Net Pension OPEB Liability (Asset) and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2023-24.

Changes of assumptions: There were no changes of benefit assumptions in 2023-24.

SUPPLEMENTARY INFORMATION

GENERAL FUND

To account for resources which are traditionally associated with the general operation of the District and not required to be accounted for in another fund.

**COMPARATIVE BALANCE SHEETS
GENERAL FUND**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024**

	2024	2023
Assets		
Cash equivalents and investments	\$ 14,165,646	\$ 12,399,785
Accounts receivable	25,366	2,424
Due from other funds	1,643	2,519
Due from other governmental units	9,664,292	8,706,385
Prepaid expenditures	352,412	6,297
Total Assets	\$ 24,209,359	\$ 21,117,410
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 538,935	\$ 971,459
Due to other funds	33,887	102,107
Due to other governmental units	2,144,190	2,522,038
Salaries payable	2,210,886	2,093,336
Unearned revenue	2,539,194	1,014,548
Total Liabilities	7,467,092	6,703,488
Fund Balances		
Nonspendable	352,412	6,297
Committed	2,389,327	2,539,327
Assigned	206,833	386,396
Unassigned	13,793,695	11,481,902
Total Fund Balances	16,742,267	14,413,922
Total Liabilities and Fund Balances	\$ 24,209,359	\$ 21,117,410

**COMPARATIVE SCHEDULE OF REVENUES
GENERAL FUND**

**BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023**

	2024	2023
Local sources:		
Property taxes:		
Current property taxes	\$ 8,138,016	\$ 7,285,021
Delinquent and other property taxes	986	2,781
Interest on delinquent taxes	5,878	3,176
	<u>8,144,880</u>	<u>7,290,978</u>
Tuition:		
Summer school	1,885	2,450
Dual enrollment	5,857	-
	<u>7,742</u>	<u>2,450</u>
Interest earnings	<u>639,541</u>	<u>325,611</u>
Revenue from student activities:		
Admissions	<u>253,580</u>	<u>258,306</u>
Other local revenue:		
Rental of school property	-	100
Contributions	18,541	17,908
Miscellaneous local revenues	383,686	551,615
	<u>402,227</u>	<u>569,623</u>
Total local sources	<u>9,447,970</u>	<u>8,446,968</u>
Non-educational entity sources	<u>-</u>	<u>15,857</u>
State sources:		
State aid	46,248,888	44,031,405
Special education - transportation	402,850	463,082
Special education - itinerants	64,055	132,185
Special education - millage incentive	84,449	138,464
Other grants	180,500	29,623
Total state sources	<u>46,980,742</u>	<u>44,794,759</u>

COMPARATIVE SCHEDULE OF REVENUES (Continued)
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Federal sources:		
Title I, Part A	\$ 148,811	\$ 195,521
Title II, Part A	67,367	87,326
Title III, Part A	16,420	10,691
Title IV, Part A	11,128	25,424
Education stabilization fund	2,364,018	1,976,664
Special education cluster - I.D.E.A.	930,798	891,615
Medicaid - school based	20,303	12,844
Health resource advocate	74,007	68,263
Pandemic EBT admin cost grant	-	3,135
Total federal sources	<u>3,632,852</u>	<u>3,271,483</u>
Interdistrict sources:		
ISD collected millage	4,020,266	3,808,421
Special education - other local districts	480,043	424,302
Medicaid fee for service	402,355	336,758
GSRP	7,350	7,840
Total interdistrict sources	<u>4,910,014</u>	<u>4,577,321</u>
Total Revenues	<u><u>\$ 64,971,578</u></u>	<u><u>\$ 61,106,388</u></u>

**COMPARATIVE SCHEDULE OF EXPENDITURES
GENERAL FUND**

**BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023**

	2024	2023
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	\$ 5,839,312	\$ 5,421,179
Employee benefits	5,439,930	5,716,830
Purchased services	545,396	682,396
Supplies	517,845	820,963
Capital outlay	282,710	84,220
Payments to other districts	4,795	-
	<u>12,629,988</u>	<u>12,725,588</u>
Middle school:		
Salaries	4,941,649	4,651,568
Employee benefits	4,527,356	4,904,646
Purchased services	460,041	439,369
Supplies	244,449	388,734
Capital outlay	24,660	56,147
Miscellaneous	1,223	1,620
Payments to other districts	1,938	-
	<u>10,201,316</u>	<u>10,442,084</u>
High school:		
Salaries	4,888,772	4,697,704
Employee benefits	4,414,814	4,829,381
Purchased services	436,612	400,015
Supplies	295,333	598,919
Capital outlay	15,153	-
Miscellaneous	7,901	6,669
Payments to other districts	110,120	77,726
	<u>10,168,705</u>	<u>10,610,414</u>
Pre-kindergarten:		
Miscellaneous	8,998	8,868
Total basic programs	<u>33,009,007</u>	<u>33,786,954</u>
Added needs:		
Special education:		
Salaries	2,082,632	1,797,683
Employee benefits	1,188,050	1,021,671
Purchased services	202,040	147,863
Supplies	39,548	297,881
Payments to other districts	331,236	346,344
	<u>3,843,506</u>	<u>3,611,442</u>

COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Compensatory education:		
Salaries	\$ 1,753,964	\$ 1,358,814
Employee benefits	718,120	494,022
Purchased services	13,565	20,817
Supplies	103,968	44,006
	<u>2,589,617</u>	<u>1,917,659</u>
Career and technical education:		
Salaries	75,963	74,473
Employee benefits	52,044	51,010
Purchased services	652	584
Supplies	13,221	94
Capital outlay	10,960	6,603
	<u>152,840</u>	<u>132,764</u>
Total added needs	<u>6,585,963</u>	<u>5,661,865</u>
Total instruction	39,594,970	39,448,819
Supporting services:		
Pupil services:		
Guidance services:		
Salaries	731,200	770,801
Employee benefits	433,805	436,188
Miscellaneous	274	60
	<u>1,165,279</u>	<u>1,207,049</u>
Health services:		
Purchased services	262,795	209,672
Supplies	1,434	2,426
Payments to other districts	178,460	128,689
	<u>442,689</u>	<u>340,787</u>
Psychological services:		
Purchased services	4,638	6,248
Supplies	5,223	76
Payments to other districts	376,766	348,604
	<u>386,627</u>	<u>354,928</u>
Speech pathology services:		
Purchased services	1,012	27,704
Supplies	3,223	2,883
Payments to other districts	676,831	684,560
	<u>681,066</u>	<u>715,147</u>

COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Social worker services:		
Salaries	\$ 108,786	\$ -
Employee benefits	75,469	-
Purchased services	14,590	764
Supplies	1,926	1,840
Payments to other districts	833,133	708,987
	<u>1,033,904</u>	<u>711,591</u>
Other pupil services:		
Salaries	193,057	150,508
Employee benefits	73,514	55,878
Purchased services	34,224	31,798
Supplies	1,979	9
	<u>302,774</u>	<u>238,193</u>
Total pupil services	4,012,339	3,567,695
Instructional staff services:		
Improvement of instruction:		
Salaries	48,999	55,337
Employee benefits	5,059	13,486
Purchased services	155,044	134,938
Supplies	15,505	3,004
Miscellaneous	200	200
	<u>224,807</u>	<u>206,965</u>
Educational media services:		
Salaries	124,022	155,326
Employee benefits	40,363	31,316
Supplies	182,503	8,218
	<u>346,888</u>	<u>194,860</u>
Supervision and direction of instruction:		
Salaries	544,194	378,935
Employee benefits	355,108	243,432
Purchased services	13,605	3,307
Supplies	5,718	10,495
Miscellaneous	885	800
	<u>919,510</u>	<u>636,969</u>
Total instructional staff services	1,491,205	1,038,794

COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
General administrative services:		
Board of education:		
Salaries	\$ 3,480	\$ 3,630
Employee benefits	276	289
Purchased services	85,756	98,691
Supplies	-	8,393
Miscellaneous	10,899	10,876
	100,411	121,879
Executive administration:		
Salaries	319,969	308,533
Employee benefits	181,748	161,829
Purchased services	12,963	11,419
Supplies	8,701	22,866
Miscellaneous	3,327	1,832
	526,708	506,479
Total general administrative services	627,119	628,358
School administrative services:		
Office of the principal:		
Salaries	1,733,444	1,599,790
Employee benefits	1,084,024	988,051
Purchased services	76,457	78,385
Supplies	17,878	35,295
Miscellaneous	3,732	3,835
	2,915,535	2,705,356
Business services:		
Fiscal services:		
Salaries	464,831	452,349
Employee benefits	287,199	271,855
Purchased services	183,715	45,562
Supplies	36,606	5,807
Miscellaneous	576	1,128
	972,927	776,701
Internal services:		
Salaries	430	810
Employee benefits	99	184
	529	994
Other business services:		
Purchased services	35,941	30,559
Miscellaneous	61,618	118,578
Payments to other districts	18,140	18,866
	115,699	168,003
Total business services	1,089,155	945,698

COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Operation and maintenance services:		
Operation and maintenance:		
Salaries	\$ 523,545	\$ 466,871
Employee benefits	341,196	290,067
Purchased services	2,365,463	2,035,287
Supplies	1,497,331	1,560,279
Capital outlay	295,634	124,639
Miscellaneous	13,940	8,343
	5,037,109	4,485,486
Security services:		
Purchased services	256,510	92,135
Supplies	173,506	68,780
Capital outlay	-	192,876
	430,016	353,791
Total operation and maintenance services	5,467,125	4,839,277
Pupil transportation services:		
Pupil transportation:		
Salaries	1,033,991	959,399
Employee benefits	463,314	415,394
Purchased services	234,459	241,833
Supplies	493,672	349,533
Capital outlay	59,734	75,753
Miscellaneous	1,976	2,659
Payments to other districts	691,825	595,176
Total pupil transportation services	2,978,971	2,639,747
Central services:		
Planning, research, development, and evaluation:		
Salaries	18,000	25,000
Employee benefits	1,448	1,950
Purchased services	59,000	-
Supplies	620	688
	79,068	27,638
Advertising:		
Salaries	72,100	71,333
Employee benefits	35,792	31,036
Purchased services	29,649	24,941
Supplies	33	-
Miscellaneous	125	-
Payments to other districts	10,000	6,072
	147,699	133,382

COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Personnel services:		
Salaries	\$ 395,350	\$ 237,229
Employee benefits	193,120	112,661
Purchased services	113,306	109,836
Supplies	1,972	12,463
Miscellaneous	390	540
	<u>704,138</u>	<u>472,729</u>
Technology services:		
Salaries	350,530	332,424
Employee benefits	246,001	232,300
Purchased services	333,278	354,280
Supplies	44,239	27,393
Miscellaneous	8,255	8,052
	<u>982,303</u>	<u>954,449</u>
Pupil accounting:		
Supplies	73,428	71,289
Employee benefits	27,692	26,786
Purchased services	193	475
	<u>101,313</u>	<u>98,550</u>
Total central services	<u>2,014,521</u>	<u>1,686,748</u>
Other supporting services:		
Athletics:		
Salaries	847,356	810,232
Employee benefits	391,874	347,008
Purchased services	258,102	180,808
Supplies	181,468	273,328
Capital outlay	-	45,265
Miscellaneous	19,419	19,634
Total other supporting services	<u>1,698,219</u>	<u>1,676,275</u>
Total supporting services	<u>22,294,189</u>	<u>19,727,948</u>
Community services:		
Community pool:		
Salaries	66,880	64,932
Employee benefits	47,063	44,332
Purchased services	21,914	13,638
Supplies	20,543	14,218
Miscellaneous	459	433
	<u>156,859</u>	<u>137,553</u>

COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Community activities:		
Purchased services	\$ 1,050	\$ 2,000
Non-public school pupils:		
Purchased services	6,952	11,347
Total community services	164,861	150,900
Payments to other governmental and not-for-profit entities		
Miscellaneous	28,800	57,600
Facilities acquisition, construction, and improvements	272,988	101,712
Debt service:		
SBITA principal payment	32,688	-
SBITA interest	5,169	-
	37,857	-
Total Expenditures	\$ 62,393,665	\$ 59,486,979

NONMAJOR GOVERNMENTAL FUNDS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024**

	Special Revenue			Debt Service	
	Food Service	Community Service	Student/School Activity	2016 SBLF Refunding	2017 Debt
Assets					
Cash	\$ 647	\$ -	\$ -	\$ -	\$ -
Cash equivalents and investments	1,172,761	3,558,148	859,463	-	28,007
Due from other funds	2,117	-	31,770	-	-
Inventory	32,865	-	-	-	-
Prepaid expenditures	-	13,452	-	-	-
Total Assets	\$ 1,208,390	\$ 3,571,600	\$ 891,233	\$ -	\$ 28,007
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 53	\$ 4,587	\$ -	\$ -	\$ -
Due to other funds	31	1,554	58	-	-
Due to other governmental units	1,800	6,206	-	-	-
Salaries payable	4,645	17,740	-	-	-
Unearned revenue	41,712	53,667	-	-	-
Total Liabilities	48,241	83,754	58	-	-
Fund Balances					
Nonspendable	32,865	13,452	-	-	-
Restricted	1,127,284	3,474,394	891,175	-	28,007
Unassigned	-	-	-	-	-
Total Fund Balances (Deficit)	1,160,149	3,487,846	891,175	-	28,007
Total Liabilities and Fund Balances	\$ 1,208,390	\$ 3,571,600	\$ 891,233	\$ -	\$ 28,007

Debt Service

2018 Refunding	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	2022 Debt	2023 Debt
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	31,246	16,490	19,669	10,037	16,879	7,490
-	138,163	-	-	-	78,574	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 169,409</u>	<u>\$ 16,490</u>	<u>\$ 19,669</u>	<u>\$ 10,037</u>	<u>\$ 95,453</u>	<u>\$ 7,490</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	216,737	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	216,737	-	-	-
-	-	-	-	-	-	-
-	169,409	16,490	-	10,037	95,453	7,490
-	-	-	(197,068)	-	-	-
-	169,409	16,490	(197,068)	10,037	95,453	7,490
<u>\$ -</u>	<u>\$ 169,409</u>	<u>\$ 16,490</u>	<u>\$ 19,669</u>	<u>\$ 10,037</u>	<u>\$ 95,453</u>	<u>\$ 7,490</u>

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024**

	Capital Projects				Total
	2017 Construction	2020 Construction	2022 Technology and Buses	PWE	
Assets					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 647
Cash equivalents and investments	834,406	2,359,311	2,542,896	25,000	11,481,803
Due from other funds	-	-	-	-	250,624
Inventory	-	-	-	-	32,865
Prepaid expenditures	-	-	-	-	13,452
Total Assets	\$ 834,406	\$ 2,359,311	\$ 2,542,896	\$ 25,000	\$ 11,779,391
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 39,148	\$ -	\$ -	\$ 43,788
Due to other funds	-	-	-	-	218,380
Due to other governmental units	-	70,807	-	-	78,813
Salaries payable	-	-	-	-	22,385
Unearned revenue	-	-	-	-	95,379
Total Liabilities	-	109,955	-	-	458,745
Fund Balances					
Nonspendable	-	-	-	-	46,317
Restricted	834,406	2,249,356	2,542,896	25,000	11,471,397
Unassigned	-	-	-	-	(197,068)
Total Fund Balances (Deficit)	834,406	2,249,356	2,542,896	25,000	11,320,646
Total Liabilities and Fund Balances	\$ 834,406	\$ 2,359,311	\$ 2,542,896	\$ 25,000	\$ 11,779,391

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**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

**BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2024**

	Special Revenue			Debt Service
	Food Service	Community Service	Student/School Activity	2016 SBLF Refunding
Revenues				
Local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ 2,095,907
Interest earnings	25,579	92,450	-	22,373
Food sales	395,032	-	-	-
Other local sources	440	2,763,430	1,064,565	-
Total local sources	421,051	2,855,880	1,064,565	2,118,280
Non-educational sources	-	211,069	-	-
State sources	1,716,917	-	-	-
Federal sources	1,324,892	-	-	-
Total Revenues	3,462,860	3,066,949	1,064,565	2,118,280
Expenditures				
Current:				
Supporting services	-	-	971,621	723
Food service	3,555,440	-	-	-
Community services	-	2,599,976	-	-
Facilities acquisition, construction, and improvements	-	-	-	-
Debt service:				
Principal repayment	-	6,784	-	2,500,000
Interest and fiscal charges	-	716	-	63,650
Total Expenditures	3,555,440	2,607,476	971,621	2,564,373
Excess (Deficiency) of Revenues Over Expenditures	(92,580)	459,473	92,944	(446,093)
Other Financing Sources (Uses)				
Proceeds from school bond loan fund	-	-	-	444,211
Transfers in	-	274,276	129,909	-
Transfers out	-	(129,909)	-	(19,477)
Total Other Financing Sources (Uses)	-	144,367	129,909	424,734
Net Change in Fund Balances	(92,580)	603,840	222,853	(21,359)
Fund Balances (Deficit), Beginning of Year	1,252,729	2,884,006	668,322	21,359
Fund Balances (Deficit), End of Year	\$ 1,160,149	\$ 3,487,846	\$ 891,175	\$ -

Debt Service

2017 Debt	2018 Refunding	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	2022 Debt	2023 Debt
\$ 3,107,724	\$ 975,680	\$ 216,816	\$ 1,770,681	\$ 2,348,861	\$ 1,192,497	\$ 36,136	\$ 903,407
10,084	10,264	3,475	14,802	10,018	8,954	17,666	2,198
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,117,808	985,944	220,291	1,785,483	2,358,879	1,201,451	53,802	905,605
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,117,808	985,944	220,291	1,785,483	2,358,879	1,201,451	53,802	905,605
1,071	335	73	611	810	410	11	810
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,175,000	1,125,000	-	1,560,000	970,000	1,020,000	-	-
2,619,000	56,250	262,563	605,500	1,907,550	447,900	53,007	1,018,876
3,795,071	1,181,585	262,636	2,166,111	2,878,360	1,468,310	53,018	1,019,686
(677,263)	(195,641)	(42,345)	(380,628)	(519,481)	(266,859)	784	(114,081)
939,584	191,685	-	377,873	295,032	263,731	-	121,571
-	-	28,802	-	-	-	-	-
-	(9,325)	-	-	-	-	-	-
939,584	182,360	28,802	377,873	295,032	263,731	-	121,571
262,321	(13,281)	(13,543)	(2,755)	(224,449)	(3,128)	784	7,490
(234,314)	13,281	182,952	19,245	27,381	13,165	94,669	-
\$ 28,007	\$ -	\$ 169,409	\$ 16,490	\$ (197,068)	\$ 10,037	\$ 95,453	\$ 7,490

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)**

**BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2024**

	Capital Projects				Total
	2017 Construction	2020 Construction	2022 Technology and Buses	PWE	
Revenues					
Local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 12,647,709
Interest earnings	24,515	151,691	132,369	-	526,438
Food sales	-	-	-	-	395,032
Other local sources	-	-	-	-	3,828,435
Total local sources	24,515	151,691	132,369	-	17,397,614
Non-educational sources	-	-	-	-	211,069
State sources	-	-	-	-	1,716,917
Federal sources	-	-	-	-	1,324,892
Total Revenues	24,515	151,691	132,369	-	20,650,492
Expenditures					
Current:					
Supporting services	228,041	104,978	-	-	1,309,494
Food service	-	-	-	-	3,555,440
Community services	-	-	-	-	2,599,976
Facilities acquisition, construction, and improvements	223,720	8,236,372	263,507	-	8,723,599
Debt service:					
Principal repayment	-	-	-	-	8,356,784
Interest and fiscal charges	-	-	-	-	7,035,012
Total Expenditures	451,761	8,341,350	263,507	-	31,580,305
Excess (Deficiency) of Revenues Over Expenditures	(427,246)	(8,189,659)	(131,138)	-	(10,929,813)
Other Financing Sources (Uses)					
Proceeds from school bond loan fund	-	-	-	-	2,633,687
Transfers in	-	-	-	25,000	457,987
Transfers out	-	-	-	-	(158,711)
Total Other Financing Sources (Uses)	-	-	-	25,000	2,932,963
Net Change in Fund Balances	(427,246)	(8,189,659)	(131,138)	25,000	(7,996,850)
Fund Balances, Beginning of Year	1,261,652	10,439,015	2,674,034	-	19,317,496
Fund Balances, End of Year	\$ 834,406	\$ 2,249,356	\$ 2,542,896	\$ 25,000	\$ 11,320,646

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – FOOD SERVICE SPECIAL REVENUE FUND**

**BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2024**

	Budget	Actual	Variance
Revenues			
Local sources	\$ 418,387	\$ 421,051	\$ 2,664
State sources	1,652,640	1,716,917	64,277
Federal sources	1,278,254	1,324,892	46,638
Total Revenues	3,349,281	3,462,860	113,579
Expenditures			
Food service	3,793,238	3,555,440	237,798
Net Change in Fund Balances	(443,957)	(92,580)	351,377
Fund Balances, Beginning of Year	1,252,729	1,252,729	-
Fund Balances, End of Year	\$ 808,772	\$ 1,160,149	\$ 351,377

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – COMMUNITY SERVICE SPECIAL REVENUE FUND**

**BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2024**

	Budget	Actual	Variance
Revenues			
Local sources	\$ 2,969,127	\$ 2,855,880	\$ (113,247)
Non-educational sources	213,231	211,069	(2,162)
Total Revenues	3,182,358	3,066,949	(115,409)
Expenditures			
Current:			
Community services	2,788,352	2,599,976	188,376
Debt service:			
Subscription-based IT arrangements principal payment	6,784	6,784	-
Subscription-based IT arrangements interest expense	717	716	1
Total Expenditures	2,795,853	2,607,476	188,377
Excess (Deficiency) of Revenues Over Expenditures	386,505	459,473	72,968
Other Financing Sources (Uses)			
Transfers in	2,689,321	274,276	(2,415,045)
Transfers out	(2,758,185)	(129,909)	2,628,276
Total Other Financing Sources (Uses)	(68,864)	144,367	213,231
Net Change in Fund Balances	317,641	603,840	286,199
Fund Balances, Beginning of Year	2,884,006	2,884,006	-
Fund Balances, End of Year	\$ 3,201,647	\$ 3,487,846	\$ 286,199

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL – STUDENT/SCHOOL ACTIVITY SPECIAL REVENUE FUND**

**BYRON CENTER PUBLIC SCHOOLS
 For the year ended June 30, 2024**

	Budget	Actual	Variance
Revenues			
Local sources	\$ 925,000	\$ 1,064,565	\$ 139,565
Expenditures			
Current:			
Supporting services	925,000	971,621	(46,621)
Excess (Deficiency) of Revenues Over Expenditures	-	92,944	92,944
Other Financing Sources (Uses)			
Transfers in	-	129,909	129,909
Net Change in Fund Balance	-	222,853	222,853
Fund Balance, Beginning of Year	668,322	668,322	-
Fund Balance, End of Year	\$ 668,322	\$ 891,175	\$ 222,853

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SPECIAL REVENUE FUNDS

Food Service – to account for monies received from food service activities and federal subsidies for use in administering the hot lunch program of the District.

Community Service – to account for fees received for use in childcare and preschool services for residents, as well as admission fees, donations and interest earnings for use in the operation and maintenance of the District's fine arts performance center.

Student/School Activity Fund – to account for monies held for the benefit of the District's students.

**COMPARATIVE BALANCE SHEETS
FOOD SERVICE SPECIAL REVENUE FUND**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024 and 2023**

	2024	2023
Assets		
Cash	\$ 647	\$ 647
Cash equivalents	1,172,761	1,279,092
Accounts receivable	-	781
Due from other funds	2,117	9,664
Inventory	32,865	33,045
Total Assets	\$ 1,208,390	\$ 1,323,229
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 53	\$ 39
Due to other funds	31	813
Due to other governmental units	1,800	3,764
Salaries payable	4,645	10,454
Unearned revenue	41,712	55,430
Total Liabilities	48,241	70,500
Fund Balances		
Nonspendable	32,865	33,045
Restricted	1,127,284	1,219,684
Total Fund Balances	1,160,149	1,252,729
Total Liabilities and Fund Balances	\$ 1,208,390	\$ 1,323,229

COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - FOOD SERVICE SPECIAL REVENUE FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Revenues		
Local sources:		
Interest earnings	\$ 25,579	\$ 16,529
Food sales:		
Food sales to students	67,753	742,104
Food sales to adults	12,402	11,630
Special milk sales	601	1,537
Ala carte sales	190,969	166,561
Catering	123,307	112,368
Other local sources	440	-
	<u>395,472</u>	<u>1,034,200</u>
Total local sources	421,051	1,050,729
State sources	1,716,917	135,638
Federal sources	1,324,892	1,225,703
	<u>3,462,860</u>	<u>2,412,070</u>
Total Revenues		
Expenditures		
Current:		
Food service:		
Salaries	694,681	577,238
Employee benefits	372,877	311,933
Purchased services	235,477	186,245
Supplies	1,834,279	1,258,298
Capital outlay	404,844	412,962
Miscellaneous	13,282	11,723
	<u>3,555,440</u>	<u>2,758,399</u>
Total Expenditures		
	3,555,440	2,758,399
Net Change in Fund Balances	(92,580)	(346,329)
Fund Balances, Beginning of Year	1,252,729	1,599,058
Fund Balances, End of Year	<u>\$ 1,160,149</u>	<u>\$ 1,252,729</u>

**COMPARATIVE BALANCE SHEETS
COMMUNITY SERVICE SPECIAL REVENUE FUND**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024 and 2023**

	2024	2023
Assets		
Cash equivalents	\$ 3,558,148	\$ 3,252,074
Due from other funds	-	395
Prepaid expenditures	13,452	2,810
Total Assets	\$ 3,571,600	\$ 3,255,279
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 4,587	\$ 430
Due to other funds	1,554	11,630
Due to other governmental units	6,206	4,154
Salaries payable	17,740	13,237
Unearned revenue	53,667	341,822
Total Liabilities	83,754	371,273
Fund Balances		
Nonspendable	13,452	2,810
Restricted for programs:		
Driver education	-	151,030
Preschool	-	193,199
Childcare	2,834,626	2,046,241
BCTV	169,009	113,777
Pool	175,214	136,653
Van Singel	295,545	240,296
Total Fund Balances	3,487,846	2,884,006
Total Liabilities and Fund Balances	\$ 3,571,600	\$ 3,255,279

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - COMMUNITY SERVICE SPECIAL REVENUE FUND**

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Revenues		
Local sources:		
Interest earnings	\$ 92,450	\$ 41,957
Revenue from student activities:		
Tuition	2,357,343	1,873,514
Admissions	52,108	28,621
Dues and fees	50,291	46,820
Other student activity income	144,666	143,836
Revenue from community service activities	-	4,840
Other local revenue:		
Rentals	64,203	94,610
Contributions	90,787	15,551
Miscellaneous local revenue	4,032	11,287
Total local sources	<u>2,855,880</u>	<u>2,261,036</u>
Non-educational sources	<u>211,069</u>	<u>187,725</u>
Federal sources:		
Child care relief grant	-	1,000
Child care sustainability grant	-	675,647
Total federal sources	<u>-</u>	<u>676,647</u>
Total Revenues	<u>3,066,949</u>	<u>3,125,408</u>

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**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - COMMUNITY SERVICE SPECIAL REVENUE FUND (Continued)**

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Expenditures		
Community services:		
Community recreation:		
Salaries	\$ 1,079,086	\$ 1,040,311
Employee benefits	512,034	464,805
Purchased services	680,524	863,477
Supplies	120,273	214,708
Capital outlay	-	36,762
Miscellaneous	49,162	54,097
Other community services:		
Salaries	107,026	107,916
Employee benefits	48,838	52,376
Purchased services	-	1,010
Supplies	3,033	8,103
Facilities acquisition, construction, and improvements:	-	38,385
Debt service:		
Subscription-based IT arrangements principal payment	6,784	-
Subscription-based IT arrangements interest expense	716	-
	Total Expenditures	2,607,476
	2,607,476	2,881,950
	Excess (Deficiency) of Revenues Over Expenditures	459,473
	459,473	243,458
Other Financing Sources (Uses)		
Inception of subscription-based IT arrangements	-	22,583
Transfers in	274,276	267,018
Transfers out	(129,909)	-
	Total Other Financing Sources (Uses)	144,367
	144,367	289,601
	Net Change in Fund Balances	603,840
	603,840	533,059
Fund Balances, Beginning of Year	2,884,006	2,350,947
Fund Balances, End of Year	\$ 3,487,846	\$ 2,884,006

**COMPARATIVE BALANCE SHEET
STUDENT/SCHOOL ACTIVITY SPECIAL REVENUE FUND**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets		
Cash equivalents	\$ 859,463	\$ 667,062
Due from other funds	31,770	1,260
	<u>\$ 891,233</u>	<u>\$ 668,322</u>
Liabilities and Fund Balance		
Liabilities	<u>\$ 58</u>	<u>\$ -</u>
Fund Balance		
Restricted	<u>891,175</u>	<u>668,322</u>
Total Liabilities and Fund Balance	<u>\$ 891,233</u>	<u>\$ 668,322</u>

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – STUDENT/SCHOOL ACTIVITY SPECIAL REVENUE FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Revenues		
Local sources:		
Other student activity	\$ 1,064,565	\$ 924,985
Expenditures		
Current:		
Other student/school activity	971,621	830,066
Excess (Deficiency) of Revenues Over Expenditures	92,944	94,919
Other Financing Sources (Uses)		
Transfers in	129,909	-
Net Change in Fund Balance	222,853	94,919
Fund Balance, Beginning of Year	668,322	573,403
Fund Balance, End of Year	\$ 891,175	\$ 668,322

DEBT SERVICE FUNDS

To accumulate property tax revenues and interest earnings for repayment of the bond issues of the District used to finance new building construction projects.

**COMBINING BALANCE SHEET
DEBT SERVICE FUNDS**

BYRON CENTER PUBLIC SCHOOLS
June 30, 2024 with comparative totals as of June 30, 2023

	2016 SBLF Refunding	2017 Debt	2018 Refunding	2019 SBLF Refunding
Assets				
Cash equivalents	\$ -	\$ 28,007	\$ -	\$ 31,246
Due from other funds	-	-	-	138,163
Total Assets	\$ -	\$ 28,007	\$ -	\$ 169,409
Liabilities and Fund Balances				
Liabilities				
Checks drawn on future deposits	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances				
Restricted	-	28,007	-	169,409
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	-	28,007	-	169,409
Total Liabilities and Fund Balances	\$ -	\$ 28,007	\$ -	\$ 169,409

2020 Refunding	2020 Debt	2021 Refunding	2022 Debt	2023 Debt	Totals	
					2024	2023
\$ 16,490	\$ 19,669	\$ 10,037	\$ 16,879	\$ 7,490	\$ 129,818	\$ 372,052
-	-	-	78,574	-	216,737	-
\$ 16,490	\$ 19,669	\$ 10,037	\$ 95,453	\$ 7,490	\$ 346,555	\$ 372,052
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,314
-	216,737	-	-	-	216,737	-
-	216,737	-	-	-	216,737	234,314
16,490	-	10,037	95,453	7,490	326,886	372,052
-	(197,068)	-	-	-	(197,068)	(234,314)
16,490	(197,068)	10,037	95,453	7,490	129,818	137,738
\$ 16,490	\$ 19,669	\$ 10,037	\$ 95,453	\$ 7,490	\$ 346,555	\$ 372,052

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2024 with comparative totals for the year ended June 30, 2023

	2016 SBLF Refunding	2017 Debt	2018 Refunding	2019 SBLF Refunding
Revenues				
Local sources:				
Property taxes:				
Current property taxes	\$ 2,090,255	\$ 3,099,343	\$ 973,049	\$ 216,233
Industrial facilities taxes	4,380	6,495	2,039	453
Delinquent and other property taxes	108	159	50	10
Interest on delinquent taxes	1,164	1,727	542	120
	<u>2,095,907</u>	<u>3,107,724</u>	<u>975,680</u>	<u>216,816</u>
Interest earnings	22,373	10,084	10,264	3,475
Total local sources	<u>2,118,280</u>	<u>3,117,808</u>	<u>985,944</u>	<u>220,291</u>
Total Revenues	<u>2,118,280</u>	<u>3,117,808</u>	<u>985,944</u>	<u>220,291</u>
Expenditures				
Support services:				
Other business services	723	1,071	335	73
Debt service:				
Principal repayment	2,500,000	1,175,000	1,125,000	-
Interest and fiscal charges:				
Interest expense	63,650	2,618,500	56,250	262,063
Paying agent fees	-	500	-	500
Total Expenditures	<u>2,564,373</u>	<u>3,795,071</u>	<u>1,181,585</u>	<u>262,636</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(446,093)</u>	<u>(677,263)</u>	<u>(195,641)</u>	<u>(42,345)</u>
Other Financing Sources (Uses)				
Proceeds from school bond loan fund	444,211	939,584	191,685	-
Transfers in	-	-	-	28,802
Transfers out	(19,477)	-	(9,325)	-
Total Other Financing Sources (Uses)	<u>424,734</u>	<u>939,584</u>	<u>182,360</u>	<u>28,802</u>
Net Change in Fund Balances	<u>(21,359)</u>	<u>262,321</u>	<u>(13,281)</u>	<u>(13,543)</u>
Fund Balances (Deficit), Beginning of Year	<u>21,359</u>	<u>(234,314)</u>	<u>13,281</u>	<u>182,952</u>
Fund Balances (Deficit), End of Year	<u>\$ -</u>	<u>\$ 28,007</u>	<u>\$ -</u>	<u>\$ 169,409</u>

2020 Refunding	2020 Debt	2021 Refunding	2022 Debt	2023 Debt	Totals	
					2024	2023
\$ 1,765,905	\$ 2,342,526	\$ 1,189,282	\$ 36,038	\$ 900,971	\$ 12,613,602	\$ 11,539,501
3,701	4,909	2,492	76	1,888	26,433	33,367
91	121	61	2	46	648	8,223
984	1,305	662	20	502	7,026	4,378
1,770,681	2,348,861	1,192,497	36,136	903,407	12,647,709	11,585,469
14,802	10,018	8,954	17,666	2,198	99,834	211,242
1,785,483	2,358,879	1,201,451	53,802	905,605	12,747,543	11,796,711
1,785,483	2,358,879	1,201,451	53,802	905,605	12,747,543	11,796,711
611	810	410	11	810	4,854	147,518
1,560,000	970,000	1,020,000	-	-	8,350,000	8,275,000
605,500	1,906,550	447,400	52,507	-	6,012,420	6,345,085
-	1,000	500	500	1,018,876	1,021,876	3,000
2,166,111	2,878,360	1,468,310	53,018	1,019,686	15,389,150	14,770,603
(380,628)	(519,481)	(266,859)	784	(114,081)	(2,641,607)	(2,973,892)
377,873	295,032	263,731	-	121,571	2,633,687	3,043,452
-	-	-	-	-	28,802	-
-	-	-	-	-	(28,802)	-
377,873	295,032	263,731	-	121,571	2,633,687	3,043,452
(2,755)	(224,449)	(3,128)	784	7,490	(7,920)	69,560
19,245	27,381	13,165	94,669	-	137,738	68,178
\$ 16,490	\$ (197,068)	\$ 10,037	\$ 95,453	\$ 7,490	\$ 129,818	\$ 137,738

CAPITAL PROJECTS FUNDS

Building and Site Sinking – to account for property tax revenues and interest earnings used to finance building improvements projects.

2017 Construction – to account for bond proceeds used to finance building construction and improvement projects.

2020 Construction – to account for bond proceeds used to finance building construction and improvement projects.

2022 Technology and Buses – to account for bond proceeds used to finance technology and bus purchases.

2023 Construction – to account for bond proceeds used to finance building construction and improvement projects.

Prevailing Wage Exemption – To account for the prevailing wage exemption under Public Act 10 of 2023.

**COMPARATIVE BALANCE SHEETS
BUILDING AND SITE SINKING CAPITAL PROJECTS FUND**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024 and 2023**

	2024	2023
Assets		
Cash equivalents	\$ 5,833,010	\$ 5,017,038
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 265,504	\$ 120,393
Due to other governmental units	35,738	-
Total Liabilities	301,242	120,393
Fund Balances		
Restricted	4,335,952	4,046,645
Committed	1,195,816	850,000
Total Fund Balances	5,531,768	4,896,645
Total Liabilities and Fund Balances	\$ 5,833,010	\$ 5,017,038

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUILDING AND SITE SINKING CAPITAL PROJECTS FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Revenues		
Local sources:		
Property taxes:		
Current property taxes	\$ 1,746,805	\$ 1,598,057
Industrial facilities taxes	3,662	4,621
Delinquent and other property taxes	90	1,139
Interest on delinquent taxes	972	606
Total property taxes	1,751,529	1,604,423
Interest earnings	141,967	73,434
Miscellaneous local revenue	79,505	35,587
Total Revenues	1,973,001	1,713,444
Expenditures		
Support services:		
Support services business	605	135
Facilities acquisition, construction, and improvements:		
Building improvement services	1,337,273	1,132,553
Total Expenditures	1,337,878	1,132,688
Excess (Deficiency) of Revenues Over Expenditures	635,123	580,756
Other Financing Sources (Uses)		
Transfers out	-	(534,683)
Net Change in Fund Balances	635,123	46,073
Fund Balances, Beginning of Year	4,896,645	4,850,572
Fund Balances, End of Year	\$ 5,531,768	\$ 4,896,645

**COMPARATIVE BALANCE SHEETS
2017 CONSTRUCTION CAPITAL PROJECTS FUND**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets		
Cash equivalents	<u>\$ 834,406</u>	<u>\$ 1,271,105</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ 9,453</u>
Fund Balance		
Restricted	<u>834,406</u>	<u>1,261,652</u>
Total Fund Balance	<u>834,406</u>	<u>1,261,652</u>
Total Liabilities and Fund Balance	<u>\$ 834,406</u>	<u>\$ 1,271,105</u>

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - 2017 CONSTRUCTION CAPITAL PROJECTS FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Revenues		
Local sources:		
Interest earnings	\$ 24,515	\$ 25,953
Expenditures		
Support services:		
Technology	228,041	427,138
Facilities acquisition, construction, and improvements:		
Architecture and engineering services	-	65,000
Building improvement services	2,061	3,464
Furniture and equipment	221,659	412,472
Total Expenditures	451,761	908,074
Net Change in Fund Balance	(427,246)	(882,121)
Fund Balance, Beginning of Year	1,261,652	2,143,773
Fund Balance, End of Year	\$ 834,406	\$ 1,261,652

**COMPARATIVE BALANCE SHEETS
2020 CONSTRUCTION CAPITAL PROJECTS FUND**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024 and 2023**

	2024	2023
Assets		
Cash equivalents and investments	\$ 2,359,311	\$ 10,523,644
Due from other funds	-	101,712
Total Assets	\$ 2,359,311	\$ 10,625,356
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 39,148	\$ 185,535
Due to other governmental units	70,807	806
Total Liabilities	109,955	186,341
Fund Balance		
Restricted	2,249,356	10,439,015
Total Liabilities and Fund Balance	\$ 2,359,311	\$ 10,625,356

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - 2020 CONSTRUCTION CAPITAL PROJECTS FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Revenues		
Local sources:		
Interest earnings	\$ 151,691	\$ 689,901
Other local revenue	-	221,808
State sources	-	3,638
Total Revenues	151,691	915,347
Expenditures		
Support services:		
Operating building services	-	28,558
Pupil transportation services	-	62,942
Non-instruction technology services	-	26,145
Technology	104,978	867,850
Facilities acquisition, construction, and improvements:		
Site improvement services	1,093,963	386,074
Architecture and engineering services	53,642	311,790
Building improvement services	6,908,472	16,539,009
Furniture and equipment	180,295	1,008,650
Total Expenditures	8,341,350	19,231,018
Excess (Deficiency) of Revenues Over Expenditures	(8,189,659)	(18,315,671)
Other Financing Sources (Uses)		
Transfers in	-	534,683
Net Change in Fund Balance	(8,189,659)	(17,780,988)
Fund Balance, Beginning of Year	10,439,015	28,220,003
Fund Balance, End of Year	\$ 2,249,356	\$ 10,439,015

**COMPARATIVE BALANCE SHEETS
2022 TECHNOLOGY AND BUSES CAPITAL PROJECTS FUND**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets		
Cash equivalents and investments	<u>\$ 2,542,896</u>	<u>\$ 2,674,034</u>
Liabilities and Fund Balance		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balance		
Restricted	<u>2,542,896</u>	<u>2,674,034</u>
Total Liabilities and Fund Balance	<u>\$ 2,542,896</u>	<u>\$ 2,674,034</u>

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - 2022 TECHNOLOGY AND BUSES CAPITAL PROJECTS FUND**

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Revenues		
Local sources:		
Interest earnings	\$ 132,369	\$ 91,170
Expenditures		
Support services:		
School bus purchases	43,569	257,556
Facilities acquisition, construction, and improvements:		
Technology	219,938	-
Total Expenditures	263,507	257,556
Net Change in Fund Balance	(131,138)	(166,386)
Fund Balance, Beginning of Year	2,674,034	2,840,420
Fund Balance, End of Year	\$ 2,542,896	\$ 2,674,034

**COMPARATIVE BALANCE SHEETS
2023 CONSTRUCTION CAPITAL PROJECTS FUND**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024 and 2023**

	2024	2023
Assets		
Cash equivalents and investments	\$ 10,585,118	\$ 21,653,629
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 1,122,602	\$ 120,651
Due to other funds	-	1,000
Total Liabilities	1,122,602	121,651
Fund Balance		
Restricted	9,462,516	21,531,978
Total Liabilities and Fund Balance	\$ 10,585,118	\$ 21,653,629

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - 2023 CONSTRUCTION CAPITAL PROJECTS FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023

	2024	2023
Revenues		
Local sources:		
Interest earnings	\$ 794,321	\$ 138,231
Expenditures		
Facilities acquisition, construction, and improvements:		
Site improvement services	1,511,458	44,871
Architecture and engineering services	135,759	320,208
Building and improvement services	9,950,860	1,112,843
Furniture and equipment	823,450	138,060
Technology	108,351	-
School bus purchases	333,905	-
Debt service:		
Bond issuance costs	-	123,868
Underwriter's discount	-	80,119
Total Expenditures	12,863,783	1,819,969
Excess (Deficiency) of Revenues Over Expenditures	(12,069,462)	(1,681,738)
Other Financing Sources (Uses)		
Proceeds from bond issuance	-	20,810,000
Premium on bond issuance	-	2,403,716
Total Financing Sources (Uses)	-	23,213,716
Net Change in Fund Balance	(12,069,462)	21,531,978
Fund Balance, Beginning of Year	21,531,978	-
Fund Balance, End of Year	\$ 9,462,516	21,531,978

**BALANCE SHEET
PWE CAPITAL PROJECTS FUND**

**BYRON CENTER PUBLIC SCHOOLS
June 30, 2024**

	<u>2024</u>
Assets	
Cash equivalents	<u>\$ 25,000</u>
Liabilities and Fund Balance	
Liabilities	
	<u>\$ -</u>
Fund Balance	
Restricted	<u>25,000</u>
Total Liabilities and Fund Balance	<u>\$ 25,000</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PWE CAPITAL PROJECTS FUND**

**BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2024 and 2023**

	<u>2024</u>
Revenues	<u>\$ -</u>
Expenditures	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>
Other Financing Sources (Uses)	
Transfers in	<u>25,000</u>
Net Change in Fund Balance	<u>25,000</u>
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 25,000</u></u>

BYRON CENTER PUBLIC SCHOOLS

Kent County, Michigan

Additional Reports Required by the Uniform Guidance

For the year ended June 30, 2024

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BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2024

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

October 9, 2024

The Board of Education
Byron Center Public Schools
Kent County, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Byron Center Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Byron Center Public Schools' basic financial statements, and have issued our report thereon dated October 9, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Certified Public Accountants
Grand Rapids, Michigan

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

October 9, 2024

The Board of Education
Byron Center Public Schools
Kent County, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Byron Center Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program 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 Byron Center Public Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Byron Center Public Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Byron Center Public Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Byron Center Public Schools' compliance with the requirements of the 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 Byron Center Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Byron Center Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Byron Center Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Byron Center Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise of Byron Center Public Schools' basic financial statements. We issued our report thereon dated October 9, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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Certified Public Accountants
Grand Rapids, Michigan

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
U. S. Department of Education		
Passed through Michigan Department of Education:		
Title I, Part A:	84.010	
231530 2223		\$ 219,073
241530 2324		<u>166,063</u>
Total Title I, Part A		<u>385,136</u>
Title III, Part A:	84.365	
240570 2324		<u>7,059</u>
Title II, Part A:	84.367	
230520 2223		113,963
240520 2324		<u>104,708</u>
Total Title II, Part A		<u>218,671</u>
Title IV, Part A:	84.424	
240750 2324		<u>16,175</u>
Education Stabilization Fund:	84.425	
213712 2021 ESSER II Formula	84.425D	734,788
213713 2122 ARP/ESSER III	84.425U	1,651,403
213723 2122 Section 11t Equalization	84.425U	<u>2,988,622</u>
Total Education Stabilization Fund		<u>5,374,813</u>
Passed through Kent Intermediate School District:		
Special Education Cluster:		
I.D.E.A. Flowthrough:	84.027	
230450 2223		748,164
240450 2324		880,868
221280 2122 IDEA Flowthrough ARP	84.027X	<u>177,175</u>
Total I.D.E.A. Flowthrough		<u>1,806,207</u>

Accrued (Deferred) Revenue At July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2024
\$ 18,640	\$ 195,521	\$ -	\$ 18,640	\$ -
-	-	148,811	110,500	38,311
18,640	195,521	148,811	129,140	38,311
-	-	3,269	3,032	237
4,502	87,326	-	4,502	-
-	-	67,367	66,896	471
4,502	87,326	67,367	71,398	471
-	-	11,128	11,128	-
6,496	117,774	72,254	78,750	-
9,388	386,845	911,171	840,895	79,664
180,855	1,243,863	1,380,593	1,508,178	53,270
196,739	1,748,482	2,364,018	2,427,823	132,934
158,396	748,164	-	158,396	-
-	-	880,868	716,925	163,943
18,831	88,332	-	18,831	-
177,227	836,496	880,868	894,152	163,943

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
I.D.E.A. Preschool:	84.173	
230460 2223		\$ 45,544
240460 2324		49,930
221285 2122 IDEA Preschool ARP	84.173X	<u>19,162</u>
Total I.D.E.A. Preschool		<u>114,636</u>
Total Special Education Cluster		<u>1,920,843</u>
Title III, Part A:	84.365	
240580 2324		<u>13,151</u>
Total U.S. Department of Education		<u>7,935,848</u>
U.S. Department of Health and Human Services		
Passed through Kent Intermediate School District:		
Medicaid Cluster:		
Medical Assistance Program:	93.778	
2223 Medicaid Outreach		12,844
2324 Medicaid Outreach		<u>20,303</u>
Total Medicaid Cluster		<u>33,147</u>
Epidemiology and Laboratory Capacity for Infectious Diseases:	93.323	
Health Resource Advocates:		
232810		68,263
232810		<u>74,007</u>
Total Epidemiology and Laboratory Capacity for Infectious Diseases		<u>142,270</u>
Total U.S. Department of Health and Human Services		<u>175,417</u>

Accrued (Deferred) Revenue At July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2024
\$ 10,216	\$ 45,544	\$ -	\$ 10,216	\$ -
-	-	49,930	40,568	9,362
2,113	9,575	-	2,113	-
12,329	55,119	49,930	52,897	9,362
189,556	891,615	930,798	947,049	173,305
-	-	13,151	13,151	-
409,437	2,922,944	3,538,542	3,602,721	345,258
12,844	12,844	-	12,844	-
-	-	20,303	20,303	-
12,844	12,844	20,303	33,147	-
15,571	68,263	-	15,571	-
-	-	74,007	63,469	10,538
15,571	68,263	74,007	79,040	10,538
28,415	81,107	94,310	112,187	10,538

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
U.S. Department of Agriculture		
Passed through Michigan Department of Education:		
Child Nutrition Cluster:		
Non-Cash Assistance (U.S.D.A. Commodities):	10.555	
Entitlement Commodities		\$ 191,209
Bonus Commodities		415
Total Non-Cash Assistance		<u>191,624</u>
Cash Assistance:		
School Breakfast Program:	10.553	
231970		17,927
241970		<u>173,740</u>
Total School Breakfast Program		<u>191,667</u>
National School Lunch Program:	10.555	
231960		97,626
240910		120,806
241960		<u>723,169</u>
Total National School Lunch Program		<u>941,601</u>
Total Cash Assistance		<u>1,133,268</u>
Total Child Nutrition Cluster		<u>1,324,892</u>
Total U.S. Department of Agriculture		<u>1,324,892</u>
Total Federal Financial Assistance		<u><u>\$ 9,436,157</u></u>

Accrued (Deferred) Revenue At July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2024
\$ -	\$ -	\$ 191,209	\$ 191,209	\$ -
-	-	415	415	-
-	-	191,624	191,624	-
-	-	17,927	17,927	-
-	-	173,740	173,740	-
-	-	191,667	191,667	-
-	-	97,626	97,626	-
-	-	120,806	120,806	-
-	-	723,169	723,169	-
-	-	941,601	941,601	-
-	-	1,133,268	1,133,268	-
-	-	1,324,892	1,324,892	-
-	-	1,324,892	1,324,892	-
\$ 437,852	\$ 3,004,051	\$ 4,957,744	\$ 5,039,800	\$ 355,796

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2024

Note A – Basis of Presentation

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

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Byron Center Public Schools has not elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note D – Grant Section Auditor Report

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

Note E – Non-Cash Assistance

The amounts reported on the Recipient Entitlement Balance Report, or PAL Report, agree with the SEFA for USDA donated food commodities.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2024

Note F – Federal Income Reconciliation

	Grant Expenditures Per Schedule of Federal Financial Assistance	Federal Revenue Per Financial Statements	Difference
Title I, Part A	\$ 148,811	\$ 148,811	\$ -
Title III, Part A	16,420	16,420	-
Title II, Part A	67,367	67,367	-
Title IV, Part A	11,128	11,128	-
Education Stabilization Fund	2,364,018	2,364,018	-
Special Education Cluster	930,798	930,798	-
Medicaid Cluster	20,303	20,303	-
Health Resource Advocates	74,007	74,007	-
Child Nutrition Cluster	1,324,892	1,324,892	-
	<u>\$ 4,957,744</u>	<u>\$ 4,957,744</u>	<u>\$ -</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

_____ Yes X No

Identification of major programs audited:

84.424 - Education Stabilization Fund

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2024

Section I - Summary of Auditor's Results (Continued)

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

\$750,000

Auditee qualified as a low-risk auditee?

X

Yes

 No

Section II - Financial Statements Audit Findings

There were no findings that are required to be reported under *Government Auditing Standards*.

Section III - Major Federal Award Programs Findings and Questioned Costs

There were no findings that are required to be reported under *Government Auditing Standards*.

October 9, 2024

The Board of Education
Byron Center Public Schools
Kent County, Michigan

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Byron Center Public Schools for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and Government Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 11, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Byron Center Public Schools are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the liability of the payout for the employee compensated absences upon their retirement is based on expected payout. We evaluated the key factors and assumptions used to develop the balance of compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the lives of capital assets. We evaluated the key factors and assumptions used to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole. Certain amounts included in capital assets have been estimated by appraisers based on historical information for assets placed in service prior to implementation of GASB Statement No. 34.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements were related to the District's share of the net pension and net OPEB liabilities related to GASB Statements No. 68 and 75.

The disclosure of the net pension liability and the net OPEB liability in the Notes to the financial statements were recorded as of June 30, 2024 based on information received from the Michigan Office of Retirement Services. We evaluated the key factors and assumptions used to develop these liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 9, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matter, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit'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 governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Per 7 CFR Part 210.14(b), and as detailed in the Michigan Department of Education (MDE) School Auditing Manual, the District must limit its net cash resources in the Food Service Fund to an amount that does not exceed 3 months average expenditures for its nonprofit school food service. Due to the impact of the COVID-19 pandemic on the School Nutrition Program, which resulted in increased reimbursement rates for meals served, many school districts in the State, including Byron Center Public Schools, now have an excess fund balance and must work with MDE to gain approval of a spend down plan for the subsequent school year. To assist in MDE monitoring efforts, all CPA firms performing audits of school districts in Michigan have been asked to identify districts with excess fund balance though this required communication with governance. An audit finding has not been included in the Single Audit report that accompanies this letter, as excess fund balance requirements are not detailed in the Office of Management and Budget's Compliance Supplement for the Child Nutrition Cluster of Programs.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and Schedules related to the Proportionate Share and Contributions of the District's Net Pension and Net OPEB Liabilities, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Other Comments

The District General Fund balance increased by \$2,328,345 to \$16,742,267 at June 30, 2024. This balance represents approximately 25.63 percent of the District's 2024-25 expenditure budget (up from 22.80 percent at June 30, 2023). Maintaining a fund balance of at least 10 to 20 percent of the ensuing year's expenditure budget is advisable for Byron Center Public Schools..

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Closing

This communication is intended solely for the information and use of the Byron Center Public Schools Board of Education and management and is not intended to be, and should not be, used by anyone other than these specified parties. We have furnished a copy of this letter to the Michigan Departments of Education and Treasury as an enclosure with the audited financial statements as required by the State of Michigan.

Hungerford

Certified Public Accountants
Grand Rapids, Michigan