GRAND LEDGE PUBLIC SCHOOLS

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

YEAR ENDED JUNE 30, 2026

Maner Costerisan

TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT 1-3

MANAGEMENT'S DISCUSSION AND ANALYSIS 4-11

BASIC FINANCIAL STATEMENTS 12

Government-wide Financial Statements
Statement of Net Position 13
Statement of Activities 14

Fund Financial Statements
Balance Sheet - Governmental Funds 15-16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 18-19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 20

Notes to Financial Statements 21-51

REQUIRED SUPPLEMENTARY INFORMATION 52

Budgetary Comparison Schedule - General Fund 53

Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability 54
Schedule of the Reporting Unit's Pension Contributions 55

Schedule of the Reporting Unit's Proportionate Share of the Net OPEB Liability (Asset) 56
Schedule of the Reporting Unit's OPEB Contributions 57

Notes to Required Supplementary Information 58-62

ADDITIONAL SUPPLEMENTARY INFORMATION 63

Nonmajor Governmental Fund Types
Combining Balance Sheet 64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 65-66

Long-term Debt
Schedules of Bonded Debt Service Requirements 67-71

TABLE OF CONTENTS

Page

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* 72-73

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Grand Ledge Public Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Ledge Public Schools, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Grand Ledge 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 Grand Ledge Public Schools, as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grand Ledge 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 Grand Ledge Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Grand Ledge 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 Grand Ledge Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grand Ledge Public Schools' basic financial statements. The accompanying additional supplementary information, as identified in the table of contents, is presented for purposes of additional analysis 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information is 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 8, 2026 on our consideration of Grand Ledge 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 Grand Ledge 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 Grand Ledge Public Schools' internal control over financial reporting and compliance.

Maner Costerisan PC

Lansing, Michigan
October 8, 2026

The purpose of management's discussion and analysis (MD&A) is to help the District's residents and other readers understand what the financial statements and notes in this financial report say about the District's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the District's finances.

If you have questions about this report or need additional information, contact the Chief Financial Officer, Grand Ledge Public Schools, 220 Lamson Street, Grand Ledge, Michigan 48837 or by telephone at (517) 925-5422.

OVERVIEW OF THE FINANCIAL STATEMENTS

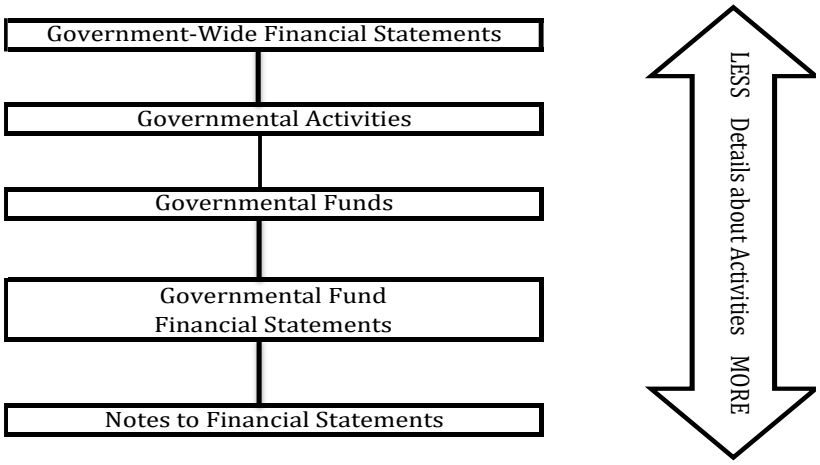
The District's financial report contains basic financial statements. Those financial statements present the District's finances at both an overall and a detailed level. The first two - the *government-wide financial statements* - cover the District's governmental activities. (See the diagram in Figure A-1.)

- *Governmental Activities* comprise the District's most basic functions, such as instruction, support services, and food services. Governmental activities primarily are financed by property taxes from non-personal residence exemption properties, state aid foundation, and federal grants. These statements provide both short-term and long-term information.

The remaining basic financial statements present the District's finances in greater detail. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The District reports one group of funds:

- *Governmental Fund Financial Statements* report all of the governmental activities except those that involve providing services to District departments. In addition to the District's main operating fund - the general fund - those financial statements report special revenue funds that track the use of restricted or committed funding sources, debt service funds to record the repayment of outstanding bonds, and capital projects funds to account for resources used to acquire or construct long-lived assets.
-

Figure A -1 Contents of the District's Basic Financial Statements



The next section of this financial report contains *notes to financial statements*, which delve deeper into the District's finances as reported in the financial statements. The information in the notes is as important to understanding the District's finances as the information in the financial statements. The District uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

All of the District's financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. (See Figure A-2.) In other words, they comprehensively report all types of financial statement elements:

- *Assets* - resources the District controls, from short-term assets like cash and cash equivalents to long-term assets like buildings and transportation equipment.
- *Liabilities* - amounts the District owes, from short-term liabilities such as salaries and related items to long-term liabilities such as outstanding debt and pension obligations.
- *Deferred Outflows of Resources and Deferred Inflows of Resources* - flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- *Revenues and Expenses* - inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on construction.

	Financial Statements	
	Government-wide	Governmental Funds
Types of assets and liabilities	* All assets and liabilities, both financial and nonfinancial, short term and long term	* Only current financial resources, such as cash, receivables, and accounts payable
Types of revenues/ additions	* All types of revenues/additions that flow into the District during the year that relate to that year, regardless of when cash is received	* Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/ deductions/ expenditures	* All types of expenses/deductions that flow out of the District during the year that relate to that year, regardless of when cash is paid	* Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	* All types of resources that flow into and out of the District during the year that relate to a future year	* Current financial resources that flow into and out of the governmental funds during the year that related to a future year

More detail about the measurement focuses and bases of accounting can be found in the first note to financial statements, the summary of significant accounting policies.

ANALYSIS OF THE DISTRICT'S FINANCES

Table A-1
Grand Ledge Public Schools Net Position

	2026	2025	Dollar Change	Total Percentage Change
Current and other assets	$ 55,827,352	$ 68,540,156	$ (12,712,804)	-19%
Net other post employment benefits asset	17,901,132	13,448,874	4,452,258	33%
Capital assets, net of depreciation/amortization	193,537,202	182,515,488	11,021,714	6%
Total assets	267,265,686	264,504,518	2,761,168	1%
Deferred outflows of resources	22,861,423	29,647,490	(6,786,067)	-23%
Other liabilities	11,431,150	14,538,249	(3,107,099)	-21%
Other noncurrent liabilities	149,389,741	157,540,664	(8,150,923)	-5%
Net pension liability	64,220,518	77,583,230	(13,362,712)	-17%
Total liabilities	225,041,409	249,662,143	(24,620,734)	-10%
Deferred inflows of resources	42,474,080	45,261,659	(2,787,579)	-6%
Net position				
Net investment in capital assets	56,013,271	53,161,113	2,852,158	5%
Restricted	25,971,522	19,689,776	6,281,746	32%
Unrestricted	(59,373,173)	(73,622,683)	14,249,510	19%
Total net position	$ 22,611,620	$ (771,794)	$ 23,383,414	3030%

Table A-1 shows that as of June 30, 2026, the District's total net position - assets and deferred outflows minus liabilities and deferred inflows - was $22,611620, an increase of $23,383,414 compared with 2025. The composition of net position changed significantly during the year, including a $2,852,158 increase in net investment in capital assets, primarily as a result of continued investment in capital assets through the District's ongoing bond-funded construction projects. Restricted net position increased by $6,281,746, primarily due to an improved position in the District's net other postemployment benefits asset and the related deferred outflows and inflows of resources. Changes in the District's net pension liability and related deferred outflows and inflows of resources also affected the District's overall net position. The increase in total net position was the result of the financial performance of the District's governmental activities. The following sections of MD&A analyze the finances of the governmental activities.

GOVERNMENTAL ACTIVITIES

Table A-2 shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position. The total net position of the District's governmental activities was $22,611620 at June 30, 2026, representing an increase of $23,383,414 during the year. The change in net position was relatively consistent with the prior year, when net position increased by $23,180,964. Although the overall change was comparable to the prior year, several significant changes occurred within revenues and expenses. The primary factors affecting current-year results were as follows:

1. Growth in the taxable value of nonpersonal residential exempt properties.
2. Decreases in interest and investment earnings revenue.
3. Decrease in operating grants and contributions revenue.
4. Decrease in instruction and community service expenditures..

Table A-2
Changes in Grand Ledge Public Schools Net Position

	2026	2025	Dollar Change	Total Percentage Change
Revenue				
General revenue				
Property taxes, levied for general purposes	$ 13,384,279	$ 12,893,972	$ 490,307	4%
Property taxes, levied for debt service	12,343,349	11,705,196	638,153	6%
Property taxes, levied for sinking fund	1,727,216	1,641,605	85,611	5%
State of Michigan aid, unrestricted	39,782,988	39,292,076	490,912	1%
Investment earnings	1,817,716	3,335,102	(1,517,386)	-46%
Other general revenue	630,069	358,625	271,444	76%
Total general revenue	69,685,617	69,226,576	459,041	1%
Program revenue				
Charges for services	3,264,420	3,346,858	(82,438)	-3%
Operating grants and contributions	29,545,131	30,848,938	(1,303,807)	-4%
Total revenue	102,495,168	103,422,372	(927,204)	-1%
Expenses				
Instruction	34,629,533	36,392,621	(1,763,088)	-5%
Supporting services	25,099,763	24,858,039	241,724	1%
Community services	1,903,076	2,235,470	(332,394)	-15%
Food services	2,705,647	2,650,479	55,168	2%
School store	24,207	19,795	4,412	22%
Student/school activities	509,336	422,283	87,053	21%
Interest on long-term debt	6,364,765	6,782,480	(417,715)	-6%
Depreciation/Amortization - unallocated	7,875,427	6,880,241	995,186	15%
Total expenses	79,111,754	80,241,408	(1,129,654)	-1%
Change in net position	23,383,414	23,180,964	$ 202,450	1%
Net position-beginning of year	(771,794)	(23,952,758)		97%
Net position-end of year	$ 22,611,620	$ (771,794)		3030%

Increase in Property Taxes

Property tax revenues increased by approximately $1.2 million compared to the prior year. The increase was primarily attributable to growth in the District's taxable value, which resulted in higher tax collections across the District's general operating, debt service, and sinking fund levies. Property tax revenues increased by approximately $490,000 for general purposes, $638,000 for debt service, and $86,000 for the sinking fund compared to the prior year.

Decrease in Interest and Investment Earnings

Interest and investment earnings decreased by approximately $1.5 million compared to the prior year. The decrease was primarily attributable to lower investment balances in the District's capital projects funds as bond proceeds were spent on construction and other capital projects during the year. In particular, investment earnings in the District's 2023 Capital Project Fund and 2024 Capital Projects Fund decreased by approximately $1.2 million combined as the related bond proceeds continued to be utilized.

Decline in Operating Grants and Contributions

Operating grants and contributions decreased by approximately $1.3 million compared to the prior year. The decrease was primarily attributable to the expiration or reduction of certain one-time federal pandemic-related funding and lower restricted state categorical funding. Reductions in certain MPSERS, literacy, mental health and other categorical funding were partially offset by increases in MPSERS Section 147c pre-funding, at-risk funding and other state and intermediate school district program support. Recognition of prior-year deferred grant revenue at the fund level and government-wide adjustments related to Section 147c funding were largely offsetting and did not significantly affect the overall year-to-year change.

Decline in Instruction Expenses

Instruction expenses decreased by approximately $1.8 million compared to the prior year. The decrease was primarily attributable to noncash pension and OPEB adjustments required under GASB Statements No. 68 and No. 75. These adjustments reduced current-year instruction expense by approximately $10.7 million, compared with approximately $7.9 million in the prior year. Excluding the effect of these government-wide adjustments, underlying instruction expenditures increased by approximately $1.1 million during the year. The pension and OPEB plans are administered by the State of Michigan, and the related government-wide adjustments can vary significantly from year to year based on changes in the plans.

GOVERNMENTAL FUNDS

The District reports seven major funds individually in the governmental fund financial statements. These funds are the general fund; the major bonded capital projects funds: 2021 Capital Projects Proposal I, 2023 Capital Projects, and 2024 Capital Projects; the sinking fund; the general capital projects fund; and the combined debt service fund. Most of the discussion regarding governmental activities is equally applicable to the finances of this governmental fund. However, certain factors that are relevant to the District's current financial health are more apparent in the fund financial statements than in the government-wide statements. The changes are shown in Table A-3 and are discussed in more detail below.

Table A-3
Revenues, Expenditures, and Changes in Fund Balances

	General Fund		Combined Bonded Capital Projects		Sinking Fund		General Capital Projects		Combined Debt Service Fund	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
REVENUES	$ 81,516,902	$ 78,844,862	$ 863,485	$ 2,103,283	$ 1,932,151	$ 1,833,956	$ 259,391	$ 485,743	$12,530,306	$11,870,916
EXPENDITURES	78,917,417	74,998,303	15,561,848	24,743,304	685,181	874,818	580,050	-	11,779,962	11,550,499
Excess (deficiency) of revenues over expenditures	2,599,485	3,846,559	(14,698,363)	(22,640,021)	1,246,970	959,138	(320,659)	485,743	750,344	320,417
OTHER FINANCING SOURCES (USES)	216,722	828,380	-	-	-	40,000	-	(712,199)	(210,201)	-
Net change in fund balance	2,816,207	4,674,939	(14,698,363)	(22,640,021)	1,246,970	999,138	(320,659)	(226,456)	540,143	320,417
Fund balance - beginning of year	13,730,942	9,056,003	26,210,471	48,850,492	4,903,267	3904129	5,954,766	6181222	2,443,429	2,123,012
Fund balance - end of year	$ 16,547,149	$ 13,730,942	$ 11,512,108	$ 26,210,471	$ 6,150,237	$ 4,903,267	$ 5,634,107	$ 5,954,766	$ 2,983,572	$ 2,443,429

Fund balance represents the financial standing of a governmental fund at the end of the fiscal year from a short-term perspective.

General Fund

The fund balance of the District's general fund increased by 20.51%. The increase in fund balance is attributable to (1) an increase in state revenues due to recognition of prior deferrals, and (2) increase in expenditures outpaced by the increase in revenues.

The overall fund balance at the end of June 30, 2026, represented approximately 20.97% of operating expenditures. The District aims to have a minimum fund balance of 15% of operating expenditures. Within fund balance, approximately 74% of the balance is considered unassigned. The remaining 26% is considered either restricted, committed, or assigned for other items and is not readily available for use.

Combined Bonded Capital Projects

The fund balance for the bonded capital project funds are considered to be 100% restricted. This means that the fund balance can only be used for the restricted purpose of that fund and is not readily available for use. The fund balance of these funds decreased 56.08%. The decrease in fund balance is attributable to capital outlay spending during the bond construction period.

Sinking Fund

The fund balance for the sinking fund is considered to be 100% restricted. This means that the fund balance can only be used for the restricted purpose of that fund and is not readily available for use. The fund balance of the sinking fund increased 25.43%. The increase in fund balance is attributable to (1) an increase in tax revenue due to an increase in the value of the tax base, and (2) a decrease in capital outlay expenditures due to a focus on bonded construction spending.

General Capital Projects Fund

The fund balance of the general capital projects fund decreased 5.38%. The decrease in fund balance is attributable to capital outlay spending during the year when there was none in the prior fiscal year.

Combined Debt Service Fund

The fund balance for the combined fund is considered to be 100% restricted. This means that the fund balance can only be used for the restricted purpose of that fund and is not readily available for use. The fund balance of the combined debt service fund increased 22.11%. The increase in fund balance is attributable to an increase in tax revenue due to an increase in the value of the tax base.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM OBLIGATIONS

Capital Assets

The discussion thus far has only touched upon certain significant transactions and events during 2026 with respect to capital assets and long-term obligations. Overall, the carrying value of capital assets-original cost minus accumulated depreciation- increased 6.04% compared to 2025. See Table A-4 for the carrying value of capital assets.

Table A-4
Grand Ledge Public Schools Capital Assets

	2026			2025	Total
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	Percentage Change
Land	$ 4,964,772	$ -	$ 4,964,772	$ 4,963,232	0%
Construction in progress	21,953,861	-	21,953,861	22,588,711	-3%
Land improvements	13,635,292	7,058,543	6,576,749	6,781,950	-3%
Buildings	17,049,024	13,145,289	3,903,735	4,117,721	-5%
Building improvements	199,674,891	55,154,397	144,520,494	134,590,622	7%
Equipment, computers and furnishing	20,022,006	11,332,344	8,689,662	6,847,718	27%
Right to use - subscription-based IT	864,500	457,500	407,000	629,912	-35%
Buses and other vehicles	5,740,827	3,219,898	2,520,929	1,995,622	26%
Total	$ 283,905,173	$ 90,367,971	$ 193,537,202	$ 182,515,488	

A significant reason for the increase in the net capital assets relates to the equipment, computers and furnishings category. During 2026, the District completed and placed in service approximately $19 million of assets across various asset classes. Construction in the 2021 Capital Projects Proposal I and 2023 Capital Projects funds were completed during 2026. The additions of capital assets outpaced the depreciation during the year, resulting in a net increase in capital assets.

Long-term Obligations

Overall, the carrying value of the District's long-term obligations decreased by 5.2% from the prior year. See Table A-5 for the carrying value of the District's long-term obligations.

Table A-5
Grand Ledge Public Schools
Outstanding Long-Term Obligations

	2026	2025	Total Percentage Change
General obligation bonds - net	$ 147,858,597	$ 155,861,756	-5.1%
Direct borrowings and direct placements	169,010	269,841	-37.4%
Compensated absences	1,148,462	1,233,290	-6.9%
Termination benefits	213,672	175,777	21.6%
	$ 149,389,741	$ 157,540,664	-5.2%

During 2026, the District's scheduled debt payments on existing outstanding obligations and refunding of existing debt were the primary reasons for this decrease. The total amount of principal paid in the current year was approximately $5 million. The District also refinanced a portion of the 2016 bonds in the amount of $13.5 million. The effect of the refunding reduced the principal by $1.4 million and lowered the amount of future interest payments on the outstanding debt obligations. The refinancing is anticipated to save the District approximately $600,000 in future interest payments.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

There are several factors that could significantly affect the financial health of the District in the future.

- Foundation Allowance: The 2026–2027 State School Aid Act increased the foundation allowance from $10,050 to $10,300 per pupil, an increase of $250 per pupil, or approximately 2.5%. The increase is consistent with the assumptions incorporated into the District's original 2026-2027 budget and, therefore, is not expected to result in a significant change from the District's originally budgeted foundation allowance revenue.

- Weighted Funding: Beginning in 2026-2027, the State School Aid Act changes the manner in which funding previously received by the District under Section 31a is provided through a weighted funding model. The District has not yet determined the full financial impact of this change. Preliminary estimates provided by the Michigan Department of Education indicate that the new funding model may result in increased funding to the District; however, as of the date of the financial statements, the District has not received sufficient information regarding the specific restrictions and allowable uses associated with this funding.

- Student Enrollment: The District is projecting Fall 2026 enrollment of 5,493 students, no change from Fall 2025. The projected enrollment has been incorporated into the District's original 2026-2027 budget.

- Fund Balance: The District's original 2026-2027 budget projects expenditures in excess of revenues of approximately $2.8 million, resulting in a projected ending General Fund balance of approximately $13.8 million, or 16.74% of projected expenditures. The District will continue to evaluate opportunities to reduce expenditures and increase revenues with the goal of achieving a structurally balanced budget in future years.

- 2018 Bond Authorization: The District anticipates completing all remaining projects associated with the 2018 bond authorization during the 2026-2027 year.

BASIC FINANCIAL STATEMENTS

GRAND LEDGE PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 8,209,193
Investments	15,780,804
Receivables	
Accounts receivable	110,000
Intergovernmental receivables	11,158,412
Leases	31,459
Inventories	89,603
Prepaids	251,842
Restricted cash - capital projects	844,035
Restricted investments - capital projects	19,352,004
Net other post employment benefits asset	17,901,132
Capital assets not being depreciated/amortized	26,918,633
Capital assets net of accumulated depreciation/amortization	166,618,569
TOTAL ASSETS	267,265,686
DEFERRED OUTFLOWS OF RESOURCES	
Related to other postemployment benefits	3,481,601
Related to pensions	19,379,822
TOTAL DEFERRED OUTFLOWS OF RESOURCES	22,861,423
LIABILITIES	
Accounts payable	2,595,654
Arbitrage liability	600,333
Accrued salaries and related items	4,484,918
Accrued retirement	2,014,105
Accrued interest	1,063,419
Unearned revenue	672,721
Noncurrent liabilities	
Due within one year	4,960,250
Due in more than one year	144,429,491
Net pension liability	64,220,518
TOTAL LIABILITIES	225,041,409
DEFERRED INFLOWS OF RESOURCES	
Deferred charge on refunding	1,008,432
Related to unavailable revenue - leases	30,853
Related to other postemployment benefits	15,355,391
Related to pensions	20,799,495
Related to state aid funding for pension benefits	5,279,909
TOTAL DEFERRED INFLOWS OF RESOURCES	42,474,080
NET POSITION	
Net investment in capital assets	56,013,271
Restricted for capital projects (sinking fund)	6,150,237
Restricted for debt service	1,920,153
Restricted for net other postemployment benefits	17,901,132
Unrestricted	(59,373,173)
TOTAL NET POSITION	$ 22,611,620

See notes to financial statements.

GRAND LEDGE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	$ 34,629,533	$ -	$ 18,140,631	$ (16,488,902)
Support services	25,099,763	292,787	8,149,888	(16,657,088)
Community services	1,903,076	2,216,389	162,258	475,571
Food services	2,705,647	221,113	3,092,354	607,820
School store	24,207	25,508	-	1,301
Student/school activities	509,336	508,623	-	(713)
Interest on long-term debt	6,364,765	-	-	(6,364,765)
Unallocated depreciation/ amortization	7,875,427	-	-	(7,875,427)
Total governmental activities	$ 79,111,754	$ 3,264,420	$ 29,545,131	(46,302,203)
General revenues				
Property taxes, levied for general purposes				13,384,279
Property taxes, levied for debt service				12,343,349
Property taxes, levied for sinking fund				1,727,216
Investment earnings, net				1,817,716
State sources - unrestricted				39,782,988
Other				630,069
Total general revenues				69,685,617
CHANGE IN NET POSITION				23,383,414
NET POSITION, beginning of year				(771,794)
NET POSITION, end of year				$ 22,611,620

See notes to financial statements.

GRAND LEDGE PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	2021 Capital Projects Proposal I	2023 Capital Projects	2024 Capital Projects	Sinking Fund	General Capital Projects	Combined Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	$ 4,934,909	$ -	$ -	$ -	$ -	$ 192,226	$ 588,573	$ 2,493,485	$ 8,209,193
Investments	7,764,419	-	-	-	-	5,621,386	2,394,999	-	15,780,804
Receivables									
Accounts receivable	93,550	-	-	-	-	-	-	16,450	110,000
Intergovernmental receivables	10,917,350	-	-	-	-	-	-	241,062	11,158,412
Due from other funds	123,774	-	-	511,629	-	-	-	3,401	638,804
Leases	31,459	-	-	-	-	-	-	-	31,459
Inventories	24,609	-	-	-	-	-	-	64,994	89,603
Prepaids	124,842	-	-	-	-	-	-	127,000	251,842
Restricted cash and cash equivalents	-	-	478,781	99,739	265,515	-	-	-	844,035
Restricted investments	-	-	640,916	12,669,915	6,041,173	-	-	-	19,352,004
TOTAL ASSETS	$ 24,014,912	$ -	$ 1,119,697	$ 13,281,283	$ 6,306,688	$ 5,813,612	$ 2,983,572	$ 2,946,392	$ 56,466,156
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts payable	$ 401,822	$ -	$ 7,735	$ 1,769,175	$ 156,451	$ 179,505	$ -	$ 80,966	$ 2,595,654
Arbitrage payable	-	-	600,333	-	-	-	-	-	600,333
Accrued salaries and related items	4,445,908	-	-	-	-	-	-	39,010	4,484,918
Accrued retirement	2,005,598	-	-	-	-	-	-	8,507	2,014,105
Due to other funds	3,389	-	511,629	-	-	-	-	123,786	638,804
Unearned revenue	580,193	-	-	-	-	-	-	92,528	672,721
TOTAL LIABILITIES	7,436,910	-	1,119,697	1,769,175	156,451	179,505	-	344,797	11,006,535
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - leases	30,853	-	-	-	-	-	-	-	30,853

See notes to financial statements.

	General Fund	2021 Capital Projects Proposal I	2023 Capital Projects	2024 Capital Projects	Sinking Fund	General Capital Projects	Combined Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (continued)									
FUND BALANCES									
Nonspendable									
Inventories	$ 24,609	$ -	$ -	$ -	$ -	$ -	$ -	$ 64,994	$ 89,603
Prepaids	124,842	-	-	-	-	-	-	127,000	251,842
Restricted for:									
Food service	-	-	-	-	-	-	-	1,291,662	1,291,662
Debt service	-	-	-	-	-	-	2,983,572	-	2,983,572
Capital projects	-	-	-	11,512,108	6,150,237	-	-	-	17,662,345
Committed									
Community service	-	-	-	-	-	-	-	513,299	513,299
School store	-	-	-	-	-	-	-	7,456	7,456
Student/school activity	-	-	-	-	-	-	-	597,184	597,184
Assigned for:									
Capital projects	-	-	-	-	-	5,634,107	-	-	5,634,107
Severance pay	1,362,134	-	-	-	-	-	-	-	1,362,134
Subsequent year expenditures	2,769,259	-	-	-	-	-	-	-	2,769,259
Unassigned									
General Fund	12,266,305	-	-	-	-	-	-	-	12,266,305
TOTAL FUND BALANCES	16,547,149	-	-	11,512,108	6,150,237	5,634,107	2,983,572	2,601,595	45,428,768
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 24,014,912	$ -	$ 1,119,697	$ 13,281,283	$ 6,306,688	$ 5,813,612	$ 2,983,572	$ 2,946,392	$ 56,466,156

See notes to financial statements.

GRAND LEDGE PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total governmental fund balances		$ 45,428,768
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred inflows of resources - charge on refunding	$ (1,008,432)	
Deferred outflows of resources - related to pensions	19,379,822	
Deferred inflows of resources - related to pensions	(20,799,495)	
Deferred outflows of resources - related to other postemployment benefits	3,481,601	
Deferred inflows of resources - related to other postemployment benefits	(15,355,391)	
Deferred inflows of resources - related to state funding for pension benefits	(5,279,909)	
		(19,581,804)
Some assets are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Noncurrent assets at year-end consist of:		
Net other postemployment benefits asset		17,901,132
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
The cost of the capital assets is	283,905,173	
Accumulated depreciation/amortization is	(90,367,971)	
		193,537,202
Long-term liabilities are not due and payable in the current period and are not reported in the funds:		
General obligation bonds		(132,090,000)
Bond premium		(15,768,597)
Note from direct borrowing		(169,010)
Compensated absences and termination benefits payable		(1,362,134)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid		(1,063,419)
Net pension liability		(64,220,518)
Net position of governmental activities		$ 22,611,620

See notes to financial statements.

GRAND LEDGE PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2026

	General Fund	2021 Capital Projects Proposal I	2023 Capital Projects	2024 Capital Projects	Formerly Nonmajor Sinking Fund	Formerly Nonmajor General Capital Projects	Combined Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES									
Local sources									
Property taxes	$ 13,384,279	$ -	$ -	$ -	$ 1,727,216	$ -	$ 12,343,349	$ -	$ 27,454,844
Sales	-	-	-	-	-	-	-	2,034,392	2,034,392
Student/school activities	-	-	-	-	-	-	-	508,623	508,623
Investment earnings	400,446	3,554	239,344	532,162	198,971	259,391	144,549	39,299	1,817,716
Other	778,751	-	-	88,425	-	-	-	428,618	1,295,794
Total local sources	14,563,476	3,554	239,344	620,587	1,926,187	259,391	12,487,898	3,010,932	33,111,369
State sources	56,308,223	-	-	-	5,964	-	42,408	2,066,760	58,423,355
Federal sources	4,219,016	-	-	-	-	-	-	1,270,098	5,489,114
Incoming transfers and other	6,426,187	-	-	-	-	-	-	-	6,426,187
TOTAL REVENUES	81,516,902	3,554	239,344	620,587	1,932,151	259,391	12,530,306	6,347,790	103,450,025
EXPENDITURES									
Current									
Instruction	45,327,887	-	-	-	-	-	-	-	45,327,887
Supporting services	32,795,875	-	-	-	-	-	-	-	32,795,875
Food service activities	-	-	-	-	-	-	-	3,008,322	3,008,322
Community service activities	37,841	-	-	-	-	-	-	2,358,226	2,396,067
School store	-	-	-	-	-	-	-	24,207	24,207
Student/school activities	-	-	-	-	-	-	-	509,336	509,336

See notes to financial statements.

	General Fund	2021 Capital Projects Proposal I	2023 Capital Projects	2024 Capital Projects	Formerly Nonmajor Sinking Fund	Formerly Nonmajor General Capital Projects	Combined Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
EXPENDITURES (continued)									
Current (continued)									
Capital outlay	$ 395,959	$ 549,040	$ 7,942,361	$ 6,400,939	$ 682,974	$ 580,050	$ -	$ 158,690	$ 16,710,013
Payments to other districts	302,399	-	-	-	-	-	-	-	302,399
Debt service									
Principal repayment	52,060	-	-	-	-	-	5,310,000	-	5,362,060
Interest expense	5,396	-	-	-	-	-	6,319,688	-	6,325,084
Bond issuance costs	-	-	-	-	-	-	136,091	-	136,091
Other	-	69,175	600,333	-	2,207	-	14,183	-	685,898
TOTAL EXPENDITURES	78,917,417	618,215	8,542,694	6,400,939	685,181	580,050	11,779,962	6,058,781	113,583,239
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,599,485	(614,661)	(8,303,350)	(5,780,352)	1,246,970	(320,659)	750,344	289,009	(10,133,214)
OTHER FINANCING SOURCES (USES)									
Proceeds from sale of capital assets	66,722	-	-	-	-	-	-	-	66,722
Proceeds from sale of bonds	-	-	-	-	-	-	12,160,000	-	12,160,000
Bond premium	-	-	-	-	-	-	1,366,431	-	1,366,431
Payment to escrow agent	-	-	-	-	-	-	(13,736,632)	-	(13,736,632)
Transfers in	150,000	-	-	-	-	-	-	-	150,000
Transfers out	-	-	-	-	-	-	-	(150,000)	(150,000)
TOTAL OTHER FINANCING SOURCES (USES)	216,722	-	-	-	-	-	(210,201)	(150,000)	(143,479)
NET CHANGE IN FUND BALANCES	2,816,207	(614,661)	(8,303,350)	(5,780,352)	1,246,970	(320,659)	540,143	139,009	(10,276,693)
FUND BALANCES									
Beginning of year, as previously presented	13,730,942	614,661	8,303,350	17,292,460	-	-	2,443,429	13,320,619	55,705,461
Adjustments to beginning fund balances	-	-	-	-	4,903,267	5,954,766	-	(10,858,033)	-
Beginning of year, as restated	13,730,942	614,661	8,303,350	17,292,460	4,903,267	5,954,766	2,443,429	2,462,586	55,705,461
End of year	$ 16,547,149	$ -	$ -	$ 11,512,108	$ 6,150,237	$ 5,634,107	$ 2,983,572	$ 2,601,595	$ 45,428,768

See notes to financial statements.

GRAND LEDGE PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Net change in fund balances total governmental funds	$ (10,276,693)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation/amortization:	
Depreciation/amortization expense	(7,875,427)
Capital outlay	18,996,949
Net book value of capital assets disposed	(99,808)
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable, beginning of the year	1,105,794
Accrued interest payable, end of the year	(1,063,419)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences is the treatment of long-term debt and related items and are as follows:	
Proceeds from bond issuance	(12,160,000)
Premium on bond issuance	(1,366,431)
Debt refunded	13,530,000
Payments on debt	5,362,060
Amendment to subscription-based IT arrangements	48,771
Deferred charge on refunding	(1,008,432)
Amortization of deferred charges on refunding	(566,751)
Amortization of bond premium	2,689,590
Arbitrage liability	597,760
Compensated absences and termination benefits are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences and termination benefits, beginning of the year, as restated	1,409,067
Accrued compensated absences and termination benefits, end of the year	(1,362,134)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Pension related items	10,156,603
Other postemployment benefits related items	6,276,452
Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period:	
State aid funding, beginning of year	4,269,372
State aid funding, end of year	(5,279,909)
Change in net position of governmental activities	$ 23,383,414

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

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

Reporting Entity

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

Basis of Presentation - Government-wide Financial Statements

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

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

Basis of Presentation - Fund Financial Statements

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

The District reports the following *Major Governmental Funds*:

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

The 2021 Proposal I, 2023, and 2024 *Capital Projects Funds* account for the receipt of debt proceeds and the acquisition of fixed assets or construction of major capital projects. The capital projects funds include capital project activities funded with bonds. For these capital projects, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. The 2024 fund is not yet considered substantially complete, and subsequent year audits are expected. The 2021 Proposal I and 2023 funds are substantially completed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

Major Governmental Funds (continued):

The District issued $30,090,000 of bonds on June 3, 2021, $23,220,000 of bonds on June 1, 2023, and $24,710,000 on May 30, 2024 at which time all funds were available for the intended purpose of the bond issue. Beginning with the year of bond issuance, the District has reported annual construction activity in the 2021, 2023, and 2024 capital projects funds, respectively.

The following is a summary of the cumulative revenues, expenditures, and other financing sources and uses for the 2021, 2023, and 2024 capital projects funds since inception:

	2021 Capital Projects Proposal I	2023 Capital Projects	2024 Capital Projects
Revenues and other financing sources	$ 31,903,371	$ 26,977,431	$ 26,589,902
Expenditures and other financing uses	$ 31,903,371	$ 26,977,431	$ 15,077,794

The above revenue figures include the bond proceeds and premium of $30,881,677, $24,876,744, and $24,847,403 for 2021 Capital Projects Proposal I, 2023 Capital Projects, and 2024 Capital Projects, respectively.

The *Capital Projects Sinking Fund* accounts for the receipt of property taxes levied for sinking fund and subsequent expenditures of those funds. The fund has complied with the applicable provisions of Section 1212 of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2023-1.

The *General Capital Projects Fund* includes assets assigned for future capital purchases.

The *Combined Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The District reports the following *Other Nonmajor Funds:*

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service, community service, school store, and student/school activities in the special revenue funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds.

While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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

All other revenue items are generally considered to be measurable and available only when cash is received by the District.

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

Cash and Cash Equivalents

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

Investments

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

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

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

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

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

e. Bankers acceptances of United States banks.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

District or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

Capital Asset Classes	Lives
Land improvements	20 years
Buildings and building improvements	50 years
Equipment, computers, and furnishing	5 - 20 years
Right to use - subscription-based IT	3 - 6 years
School buses and other vehicles	8 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Defined Benefit Plans

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

Deferred Outflows

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

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has five items that qualify for reporting in this category. The first is the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The second is restricted Section 147c state aid deferred to offset deferred outflows related to Section 147c pension benefit contributions subsequent to the measurement period. The third and fourth items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also reports unavailable revenues from one source: leases. These amounts are long-term leases entered into by the District in which the District is the lessor. These amounts are recognized as revenue over the term of the lease agreements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Leases and Subscription-based IT Arrangements (SBITA)

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

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

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITA.

- The SBITA term includes the noncancelable period of the subscription. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

Lessor: The District is a lessor for a noncancelable lease of a building. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Key estimates and judgements include how the District determines (1) the discount rate is uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of this lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

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

For the year ended June 30, 2026, the District levied the following amounts per $1,000 of assessed valuation:

Fund	Mills
General Fund	
Non-Principal Residence Exemption (PRE)	18.00
Commercial Personal Property	6.00
Debt service fund	
PRE, Non-PRE, Commercial Personal Property	5.63
Sinking fund	
PRE, Non-PRE, Commercial Personal Property	0.7894

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses

Compensated Absences and Termination Benefits

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

Long-term Obligations

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2026 the District had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2026, $9,360,028 of the District's bank balance of $9,617,595 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was $9,053,228.

Custodial Credit Risk - Investments

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

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

Investment Type	Fair Value	Weighted Average Maturity (Years)
Federal Agency Bond Notes	$ 4,762,887	0.372
MILAF External Investment Pool - MAX	1,843,551	N/A
MILAF External Investment Pool - CMC	1	N/A
Morgan Stanley Institutional Liquidity Fund	8,547,944	0.100
Michigan Class Investment Pool	19,978,425	0.112
Total fair value	$ 35,132,808	
Portfolio weighted average maturity		0.146

One day maturity equals 0.0027, one year equals 1.00

Concentration of Credit Risk

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

Investment Type	Fair Value	Rating	Rating Agency
Federal Agency Bond Notes	$ 4,762,887	AAA	Standard & Poor's
MILAF External Investment Pool - MAX	1,843,551	AAAm	Standard & Poor's
MILAF External Investment Pool - CMC	1	AAAm	Standard & Poor's
Morgan Stanley Institutional Liquidity Fund	8,547,944	AAAm	Standard & Poor's
Michigan Class Investment Pool	19,978,425	AAAm	Standard & Poor's
Total	$ 35,132,808		

Foreign Currency Risk

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement

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

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

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

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

	Level 1	Level 2	Level 3	Balance at June 30, 2026
Investments by fair value level				
Federal Agency Bond Notes	$ -	$ 4,762,887	$ -	$ 4,762,887

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

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

	Amortized Cost
MILAF External Investment Pool - MAX	$ 1,843,551
MILAF External Investment Pool - CMC	1
	$ 1,843,552

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments in Entities that Calculate Net Asset Value Per Share

The District holds shares or interests in the Michigan CLASS investment pool and the Morgan Stanley Institutional Liquidity Fund where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statues and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

The Morgan Stanley Institutional Liquidity Fund invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, and repurchase agreements. It purchases securities that are legally permissible under state statutes.

At the year ended June 30, 2026, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan Class Investment Pool	$ 19,978,425	$ -	No restrictions	None
Morgan Stanley Institutional Liquidity Fund	8,547,944	-	No restrictions	None
Total	$ 28,526,369	$ -		

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1.

The following summarizes the categorization of these amounts as of June 30, 2026:

	Primary Government
Cash and cash equivalents	$ 8,209,193
Investments	15,780,804
Restricted cash and cash equivalents	844,035
Restricted investments	19,352,004
	$ 44,186,036

NOTE 3 - CAPITAL ASSETS

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

	Balance July 1, 2025	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2026
Governmental activities				
Capital assets, not being depreciated/amortized				
Land	$ 4,963,232	$ 1,540	$ -	$ 4,964,772
Construction in progress	22,588,711	7,819,830	8,454,680	21,953,861
Total assets not being depreciated/amortized	27,551,943	7,821,370	8,454,680	26,918,633
Capital assets, being depreciated/amortized				
Land improvements	13,154,296	480,996	-	13,635,292
Buildings	17,110,024	-	61,000	17,049,024
Building improvements	184,610,777	15,064,114	-	199,674,891
Equipment, computers and furnishing	24,574,953	3,018,171	7,571,118	20,022,006
Right to use - subscription-based IT	898,551	14,720	48,771	864,500
School buses and other vehicles	5,113,746	1,052,258	425,177	5,740,827
Subtotal	245,462,347	19,630,259	8,106,066	256,986,540
Accumulated depreciation/amortization				
Land improvements	6,372,346	686,197	-	7,058,543
Buildings	12,992,303	213,986	61,000	13,145,289
Building improvements	50,020,155	5,134,242	-	55,154,397
Equipment, computers and furnishing	17,727,235	1,160,876	7,555,767	11,332,344
Right to use - subscription-based IT	268,639	188,861	-	457,500
School buses and other vehicles	3,118,124	491,265	389,491	3,219,898
Total accumulated depreciation/amortization	90,498,802	7,875,427	8,006,258	90,367,971
Net capital assets being depreciated/amortized	154,963,545	11,754,832	99,808	166,618,569
Net governmental capital assets	$ 182,515,488	$ 19,576,202	$ 8,554,488	$ 193,537,202

Depreciation/amortization expense was not allocated to governmental functions. It appears on the statement of activities as "unallocated".

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Receivables at June 30, 2026 consist of the following:

	Government-wide
State aid	$ 10,129,495
Federal grants and other pass-through agencies	930,589
Other	98,328
	$ 11,158,412

No allowance for doubtful accounts is considered necessary.

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2026:

	General Obligation Bonds	Direct Borrowing and Direct Placements	Compensated Absences*	Termination Benefits*	Total
Balance, July 1, 2025	$ 155,861,756	$ 269,841	$ 1,233,290	$ 175,777	$ 157,540,664
Additions	13,526,431	-	-	37,895	13,564,326
Deletions	21,529,590	100,831	84,828	-	21,715,249
Balance, June 30, 2026	147,858,597	169,010	1,148,462	213,672	149,389,741
Due within one year	4,845,000	54,650	51,100	9,500	4,960,250
Due in more than one year	$ 143,013,597	$ 114,360	$ 1,097,362	$ 204,172	$ 144,429,491

*The change in the compensated absences and termination benefits liabilities are presented as a net change.

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Long-term obligation debt at June 30, 2026 is comprised of the following:

General Obligations Bonds	
Serial bond due in annual installments of $865,000 to $4,430,000 through May 1, 2044, with interest at 5.00%.	$ 50,150,000
Serial bond due in annual installments of $335,000 to $1,740,000 through May 1, 2047, with interest at 4.00% to 5.00%.	27,795,000
Serial bond due in semi-annual installments of $260,000 to $1,325,000 paid in November and May through November 2046, with interest at 4.00% to 5.00%.	19,630,000
Serial bond due in semi-annual installments of $195,000 to $3,230,000 paid in November and May through May 2048 with interest at 4.00% to 5.00%.	22,355,000
Serial bond due in annual installments of $850,000 to $1,650,000 paid in November and May through May 2037, with interest at 4.00% to 5.00%.	12,160,000
Plus premiums on bonds	15,768,597
Total general obligation bonds	147,858,597
Direct Borrowing and Direct Placement	
Subscription-based IT arrangement due in annual installments of $57,456, increasing 1% annually, through August 1, 2028, with imputed interest at 2.00%.	169,010
Compensated absences and termination benefits	1,362,134
Total general long-term obligations	$ 149,389,741

The District's outstanding notes from direct borrowings and direct placements related to governmental activities of $169,010 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

The annual requirements to amortize long-term obligations outstanding exclusive of compensated absences payments as of June 30, 2026, are as follows:

Year Ending June 30,	General Obligation Bonds		Notes from Direct Borrowings and Direct Placements		Compensated Absences and Termination Benefits	Total
	Principal	Interest	Principal	Interest		
2027	$ 4,845,000	$ 6,372,387	$ 54,650	$ 3,380	$ -	$ 11,275,417
2028	4,475,000	6,142,687	56,324	2,287	-	10,676,298
2029	4,735,000	5,921,262	58,036	1,161	-	10,715,459
2030	4,385,000	5,684,562	-	-	-	10,069,562
2031	4,600,000	5,477,412	-	-	-	10,077,412
2032 - 2036	26,595,000	23,738,535	-	-	-	50,333,535
2037 - 2041	35,540,000	16,297,146	-	-	-	51,837,146
2042 - 2046	39,340,000	6,858,452	-	-	-	46,198,452
2047 - 2048	7,575,000	361,602	-	-	-	7,936,602
	132,090,000	76,854,045	169,010	6,828	-	209,119,883
Premiums on bonds	15,768,597	-	-	-	-	15,768,597
Compensated absences and termination benefits	-	-	-	-	1,362,134	1,362,134
	$ 147,858,597	$ 76,854,045	$ 169,010	$ 6,828	$ 1,362,134	$ 226,250,614

Interest expense (all funds) for the year ended June 30, 2026 was approximately $6,400,000.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2026 are as follows:

Receivable Fund		Payable Fund	
General Fund	$ 123,774	General fund	$ 3,389
2024 Capital Projects	511,629	2023 Capital Projects	511,629
Total Nonmajor Funds	3,401	Total Nonmajor Funds	123,786
	$ 638,804		$ 638,804

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

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

Benefits Provided - Overall

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

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

Benefits Provided - Pension

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

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2010

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

Pension Reform 2012

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

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

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

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

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

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

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (continued)

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

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

Employees who first work on or after September 4, 2012, and before February 1, 2018, choose between two retirement plans: The Pension Plus Plan and a Defined Contribution Plan that provides a 50% employer match (up to 3% of salary) on employee contributions.

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

Pension Reform of 2017

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

New employees hired between February 1, 2018 and June 30, 2024, are automatically enrolled as members in the Pension Plus 2 Plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus 2 Plan and become a qualified participant to the DC Plan; if no election is made they will default to the DC Plan. If they elect to opt out of the Pension Plus 2 Plan, their participation in the DC Plan will be retroactive to their date of hire.

Pension Reform of 2023

On November 29, 2023, the Governor signed Public Act 250 of 2023 into law. New employees hired after June 30, 2024, are automatically enrolled as members in the Pension Plus 2 Plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus 2 Plan and become a qualified participant in the DC Plan; if no election is made they will remain in the Pension Plus 2 Plan. If they elect to opt out of the Pension Plus 2 Plan, their participation in the DC Plan will be retroactive to their date of hire.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

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

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

Member Contributions

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions

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

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

Pension and OPEB contributions made in the fiscal year ending September 30, 2025 were determined as of the September 30, 2022 actuarial valuations. The pension and OPEB unfunded (overfunded) actuarial accrued liabilities (UAAL) as of September 30, 2022 are amortized over a 14-year period beginning October 1, 2024 and ending September 30, 2038.

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

	Pension	Other Postemployment Benefit
October 1, 2025 - September 30, 2026	15.21% - 26.08%	0.00% - 3.83%
October 1, 2024 - September 30, 2025	20.96% - 30.11%	0.00% - 1.25%

The District's pension contributions for the year ended June 30, 2026 were equal to the required contribution total. Total pension contributions were approximately $14,822,000. Of the total pension contributions approximately $14,195,000 was contributed to fund the Defined Benefit Plan and approximately $627,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2026 were equal to the required contribution total. Total OPEB contributions were approximately $1,059,000. Of the total OPEB contributions approximately $633,000 was contributed to fund the Defined Benefit Plan and approximately $426,000 was contributed to fund the Defined Contribution Plan.

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

The net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2024 and rolled-forward using generally accepted actuarial procedures.

The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-university Employers	September 30, 2025	September 30, 2024
Total pension liability	$ 97,436,103,863	$ 95,765,499,515
Plan fiduciary net position	$ (77,403,114,236)	$ (71,283,482,728)
Net pension liability	$ 20,032,989,627	$ 24,482,016,787
Proportionate share	0.32057%	0.31690%
Net pension liability for the District	$ 64,220,518	$ 77,583,230

For the year ended June 30, 2026, the District recognized pension expense of $4,043,021.

At June 30, 2026, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 2,305,058	$ 3,394,209
Net difference between projected and actual plan investments earnings	-	15,347,329
Differences between expected and actual experience	2,487,445	572,007
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,421,173	1,485,950
Reporting Unit's contributions subsequent to the measurement date	13,166,146	-
	$ 19,379,822	$ 20,799,495

$13,166,146 reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

Year Ending June 30,	Amount
2027	$ (662,880)
2028	(7,181,632)
2029	(5,283,844)
2030	(1,457,463)

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

The net OPEB liability (asset) was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2024 and rolled-forward using generally accepted actuarial procedures.

The District's proportion of the net OPEB liability (asset) was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-university Employers	September 30, 2025	September 30, 2024
Total other postemployment benefits liability	$ 9,360,649,860	$ 9,991,545,923
Plan fiduciary net position	$ (15,439,767,833)	$ (14,295,943,589)
Net other postemployment benefits liability (asset)	$ (6,079,117,973)	$ (4,304,397,666)
Proportionate share	0.29447%	0.31244%
Net other postemployment benefits liability (asset) for the District	$ (17,901,132)	$ (13,448,874)

For the year ended June 30, 2026, the District recognized OPEB benefit of $5,643,570.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

At June 30, 2026, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 2,389,098	$ 189,857
Net difference between projected and actual plan investments earnings	-	2,515,500
Differences between expected and actual experience	-	12,255,964
Changes in proportion and differences between employer contributions and proportionate share of contributions	531,337	394,070
Reporting Unit's contributions subsequent to the measurement date	561,166	-
	$ 3,481,601	$ 15,355,391

$561,166 reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

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

Year Ending June 30,	Amount
2027	$ (3,147,051)
2028	(3,214,541)
2029	(3,099,679)
2030	(2,045,439)
2031	(711,242)
2032	(217,004)

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions

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

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

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

Inflation - 3.0%.

Mortality Assumptions -

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

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

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

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

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

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

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.75% for year one and graded to 3.50% in year fifteen. Post 65, 6.50% for year one and graded to 3.50% in year fifteen.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

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

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

The target asset allocation at September 30, 2025, and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation		Long-term Expected Real Rate of Return*
	Pension	OPEB	
Domestic Equity Pools	21.0%	16.0%	5.8%
International Equity Pools	14.0%	11.0%	5.6%
Private Equity Pools	16.0%	16.0%	9.3%
Real Estate and Infrastructure Pools	8.0%	5.0%	7.0%
Fixed Income Pools	15.0%	26.0%	2.5%
Absolute Return Pools	13.0%	15.0%	4.4%
Real Return/Opportunistic Pools	9.0%	7.0%	7.0%
Short Term Investment Pools	4.0%	4.0%	1.3%
	100.0%	100.0%	

* Long term rate of return are net of administrative expenses and 2.4% inflation.

Rate of Return - For fiscal year ended September 30, 2025, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 9.81% and 9.24%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	$ 101,343,520	$ 64,220,518	$ 33,301,810

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

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	$ (15,422,958)	$ (17,901,132)	$ (20,070,072)

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

	Other Postemployment Benefits		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	$ (20,050,280)	$ (17,901,132)	$ (15,644,598)

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension and OPEB Plan Fiduciary Net Position

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

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

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The District participates in a distinct pool of educational institutions within the State of Michigan for self-insuring workers' disability compensation. The pool is considered a public entity risk pool. The District pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims in excess of $500,000 for each occurrence with the overall maximum coverage being unlimited. The District has not been informed of any special assessments being required.

The District continues to carry commercial insurance for other risks of loss, including property and casualty errors and omissions, fleet and employee health and accident insurance.

NOTE 9 - TRANSFERS

The transfer of $150,000 from the food service fund to the general fund was to reimburse the general fund for indirect costs.

NOTE 10 - TAX ABATEMENTS

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

NOTE 10 - TAX ABATEMENTS (continued)

The property taxes abated for all funds by municipality under these programs are as follows:

Municipality	Taxes Abated
Delta Township	$ 73,077
City of Grand Ledge	55,063
City of Lansing	1,959,385
Oneida Township	15,815
	$ 2,103,340

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's Section 22 funding of the State School Aid Act.

There are no abatements made by the District.

NOTE 11 - CONTINGENT LIABILITIES

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

NOTE 12 - CHANGES IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2026, the District implemented the following GASB standards:

GASB Statement No. 103, *Financial Reporting Model Improvements.* The Standard addressed the following areas:

a. Management's discussion and analysis (MD&A)
b. Unusual or infrequent items
c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements should be presented after the fund financial statements;
e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. This Statement also requires additional disclosures for capital assets held for sale.

NOTE 13 - LEASE RECEIVABLE

During the current fiscal year, the District began leasing rooms in one of its buildings to a third party. The lease is for three years, and the District will receive semi-annual payments of $8,100. The District recognized $15,426 in lease revenue and $1,380 in interest revenue during the current fiscal year related to this lease. As of June 30, 2026, the District's receivable for lease payments was $31,459. Also, the District has deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2026, the balance of the deferred inflow of resources was $30,853.

NOTE 14 - ADJUSTMENTS TO BEGINNING FUND BALANCES

During fiscal year 2026, the changes to beginning fund balance are as follows:

	Reporting Units Affected by Adjustments to Beginning Balances		
	Sinking Fund	General Capital Projects	Nonmajor Governmental Funds
Fund balance, as previously reported	$ -	$ -	$ 13,320,619
Change from nonmajor fund to major fund	4,903,267	5,954,766	(10,858,033)
Net position, as restated	$ 4,903,267	$ 5,954,766	$ 2,462,586

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENT

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026-2027 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

GRAND LEDGE PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original and Final Budget	Actual	Variance with Final Budget to Actual
	Original	Final			
REVENUES					
Local sources	$ 13,748,897	$ 14,341,739	$ 592,842	$ 14,563,476	$ 221,737
State sources	53,279,784	56,233,639	2,953,855	56,308,223	74,584
Federal sources	4,104,858	4,266,897	162,039	4,219,016	(47,881)
Incoming transfers and other	4,118,355	6,470,149	2,351,794	6,426,187	(43,962)
TOTAL REVENUES	75,251,894	81,312,424	6,060,530	81,516,902	204,478
EXPENDITURES					
Current					
Instruction					
Basic programs	34,474,329	33,991,025	483,304	33,852,397	138,628
Added needs	10,851,312	11,649,886	(798,574)	11,475,490	174,396
Total instruction	45,325,641	45,640,911	(315,270)	45,327,887	313,024
Supporting services					
Pupil	6,404,378	6,232,615	171,763	6,180,254	52,361
Instructional staff	3,080,901	3,370,141	(289,240)	3,346,865	23,276
General administration	930,892	950,384	(19,492)	908,852	41,532
School administration	4,130,690	4,118,078	12,612	4,137,918	(19,840)
Business services	992,841	1,069,220	(76,379)	1,063,311	5,909
Operation/maintenance	7,925,557	8,267,326	(341,769)	8,173,887	93,439
Pupil transportation	5,143,593	5,675,703	(532,110)	5,633,392	42,311
Central	2,201,929	2,250,971	(49,042)	2,240,181	10,790
Athletics	1,018,669	1,130,149	(111,480)	1,111,215	18,934
Total supporting services	31,829,450	33,064,587	(1,235,137)	32,795,875	268,712
Community services	28,417	43,208	(14,791)	37,841	5,367
Payments to other school districts	256,415	302,400	(45,985)	302,399	1
Capital outlay	428,685	402,711	25,974	395,959	6,752
Debt service	69,139	69,139	-	57,456	11,683
TOTAL EXPENDITURES	77,937,747	79,522,956	(1,585,209)	78,917,417	605,539
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,685,853)	1,789,468	4,475,321	2,599,485	810,017
OTHER FINANCING SOURCES (USES)					
Transfers in	300,800	150,000	(150,800)	150,000	-
Transfers out	(46,571)	-	46,571	-	-
Proceeds from sale of capital assets	6,500	53,154	46,654	66,722	13,568
TOTAL OTHER FINANCING SOURCES (USES)	260,729	203,154	(57,575)	216,722	13,568
NET CHANGE IN FUND BALANCE	(2,425,124)	1,992,622	4,417,746	2,816,207	823,585
FUND BALANCE					
Beginning of year	13,730,942	13,730,942	-	13,730,942	-
End of year	$ 11,305,818	$ 15,723,564	$ 4,417,746	$ 16,547,149	$ 823,585

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Reporting Unit's proportion of net pension liability (%)	0.32057%	0.31690%	0.32540%	0.32358%	0.30846%	0.30136%	0.30436%	0.31055%	0.30924%	0.29706%
Reporting Unit's proportionate share of net pension liability	$ 64,220,518	$ 77,583,230	$105,318,801	$ 121,693,162	$ 73,028,801	$103,516,260	$100,794,276	$ 93,356,527	$ 80,137,878	$ 74,114,212
Reporting Unit's covered-employee payroll	$ 35,907,927	$ 33,552,131	$ 32,558,937	$ 32,043,734	$ 28,621,618	$ 26,992,587	$ 26,623,895	$ 26,425,708	$ 26,065,957	$ 25,411,906
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	178.85%	231.23%	323.47%	379.77%	255.15%	383.50%	378.59%	353.28%	307.44%	291.65%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	79.44%	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required pension contributions	$ 14,195,310	$ 14,113,785	$ 12,904,539	$ 14,903,783	$ 10,949,091	$ 8,962,829	$ 8,193,929	$ 7,982,606	$ 8,105,353	$ 7,166,476
Pension contributions in relation to statutorily required contributions	14,195,310	14,113,785	12,904,539	14,903,783	10,949,091	8,962,829	8,193,929	7,982,606	8,105,353	7,166,476
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll (pension)	$ 37,944,000	$ 35,440,694	$ 32,990,917	$ 32,622,739	$ 31,851,990	$ 27,495,900	$ 27,230,502	$ 26,459,231	$ 26,368,179	$ 26,353,064
Pension contributions as a percentage of covered-employee payroll	37.41%	39.82%	39.12%	45.69%	34.37%	32.60%	30.09%	30.17%	30.74%	27.19%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net other postemployment benefits liability (asset) (%)	0.29447%	0.31244%	0.31962%	0.32814%	0.31362%	0.30292%	0.30273%	0.31008%	0.30865%
Reporting Unit's proportionate share of net other postemployment benefits liability (asset)	$ (17,901,132)	$ (13,448,874)	$ (1,808,067)	$ 6,950,297	$ 4,787,035	$ 16,228,114	$ 21,729,350	$ 24,648,294	$ 27,332,217
Reporting Unit's covered-employee payroll	$ 35,907,927	$ 33,552,131	$ 32,558,937	$ 32,043,734	$ 28,621,618	$ 26,992,587	$ 26,623,895	$ 26,425,708	$ 26,425,708
Reporting Unit's proportionate share of net other postemployment benefits liability/asset as a percentage of its covered-employee payroll	49.85%	40.08%	5.55%	21.69%	16.73%	60.12%	81.62%	93.27%	103.43%
Plan fiduciary net position as a percentage of total other postemployment benefits liability (Non-university employers)	164.94%	143.08%	105.04%	83.09%	87.33%	59.44%	48.48%	42.95%	36.39%

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

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required other postemployment benefits contributions	$ 632,802	$ 181,954	$ 2,699,578	$ 2,608,112	$ 2,656,683	$ 2,374,534	$ 2,288,907	$ 2,169,967	$ 2,249,686
Other postemployment benefits contributions in relation to statutorily required contributions	632,802	181,954	2,699,578	2,608,112	2,656,683	2,374,534	2,288,907	2,169,967	2,249,686
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll (OPEB)	$ 37,944,000	$ 35,440,694	$ 32,990,917	$ 32,622,739	$ 31,851,990	$ 27,495,900	$ 27,230,502	$ 26,459,231	$ 26,368,179
Other postemployment benefits contributions as a percentage of covered-employee payroll	1.67%	0.51%	8.18%	7.99%	8.34%	8.64%	8.41%	8.20%	8.53%

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

GRAND LEDGE PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2026

NOTE 1 - BUDGETARY BASIS OF ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. Other funds do not have appropriated budgets.

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

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

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

b. Public hearings are conducted to obtain taxpayer comments.

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

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

e. The final budget was approved prior to June 30, 2026 year-end.

NOTE 2 - BUDGETARY COMPARISON

Significant Variances Between Original and Final Budget

	Variance	Explanation
REVENUES		
Local sources	$ 592,842	When the original budget was adopted, the District anticipated lower taxable values. The final budget was increased to reflect higher taxable values and the resulting increase in local operating tax revenue.

NOTE 2 - BUDGETARY COMPARISON (continued)

Significant Variances Between Original and Final Budget (continued)

	Variance	Explanation
REVENUES (continued)		
State sources	$ 2,953,855	When the original budget was adopted, the District anticipated a nominal increase in student enrollment. The final budget was increased to reflect approximately 53 additional students above the original estimate, as well as additional Section 27l educator compensation and MPSERS funding from the State.
Incoming transfers and other	2,351,794	When the original budget was adopted, the District budgeted special education claims and the Eaton RESA fund balance distribution based on preliminary projections. The final budget was increased primarily to reflect updated amounts, which were approximately $2.3 million greater than originally projected.
EXPENDITURES		
Current		
Instruction		
Basic programs	(483,304)	When the original budget was adopted, the District had not incorporated anticipated salary and benefit savings associated with replacing retiring employees with new hires. The final budget was reduced to reflect these staffing savings.
Added needs	798,574	The final budget was increased to reflect higher-than-anticipated staffing costs, including increased special education staffing and related salaries and benefits, as well as additional instructional positions, including a reading teacher and ECYF interventionist.
Supporting services		
Pupil transportation	532,110	The final budget was increased to reflect higher vehicle repair costs associated with accidents, increased fuel costs resulting from price increases, and additional staffing costs related to the addition of relief and substitute drivers.

NOTE 2 - BUDGETARY COMPARISON (continued)

Significant Variances Between Final Budget and Actual

	Variance	Explanation
REVENUES		
Local sources	$ 221,737	Actual local revenue was higher than the final budget primarily due to approximately $158,000 of insurance claim proceeds that were reclassified to local source revenue after the final budget was passed.
EXPENDITURES		
Current		
Instruction		
Basic programs	138,628	Actual expenditures for basic programs were less than the final amended budget primarily due to budgeted supply expenditures within Functions 111 through 113 that were not fully incurred during the year. In addition, certain summer school expenditures budgeted within Function 119 were not incurred until July and August 2026 and, therefore, will be recognized in fiscal year 2027.
Added needs	174,396	Actual expenditures for added needs were less than the final amended budget primarily due to budgeted supply expenditures within Function 125 that were not fully incurred during the year. In addition, wages and related benefit expenditures funded by the Section 41 English Learner grant were less than anticipated, with the remaining grant-funded activities carried forward to fiscal year 2027. Certain Title III summer school expenditures budgeted within Function 125 were also not incurred until July and August 2026 and, therefore, will be recognized in fiscal year 2027.

NOTE 3 - PENSION INFORMATION

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of benefit assumptions for each of the reported plan years ended September 30 except for the following:

- 2023 - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

NOTE 3 - PENSION INFORMATION (continued)

Changes in Assumptions (continued)

- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.80 percentage points.

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.

- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

NOTE 4 - OPEB INFORMATION

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of benefit assumptions for each of the reported plan years ended September 30 except for the following:

- 2025 - The health care cost trend rate used in the September 30, 2024, actuarial valuation increased by 0.50 percentage points for members under 65. This increased the plan's total OPEB liability by $267 million in 2025.

- 2024 - The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage point for members over 65.

- 2023 - The health care cost trend rate used in the September 30, 2022 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional $1.1 billion in 2022.

- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by $1.3 billion in 2021.

NOTE 4 - OPEB INFORMATION (continued)

Changes in Assumptions (continued)

- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points and actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by $1.8 billion in 2020.

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional $1.4 billion in 2019.

- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by $1.4 billion in 2018.

ADDITIONAL SUPPLEMENTARY INFORMATION

GRAND LEDGE PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2026

	Food Service	Community Service	School Store	Student/ School Activities	Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,231,721	$ 654,536	$ 7,567	$ 599,661	$ 2,493,485
Accounts receivable	14,861	-	-	1,589	16,450
Intergovernmental receivables	241,062	-	-	-	241,062
Due from other funds	-	3,039	12	350	3,401
Prepaids	125,000	2,000	-	-	127,000
Inventories	57,729	-	7,265	-	64,994
TOTAL ASSETS	$ 1,670,373	$ 659,575	$ 14,844	$ 601,600	$ 2,946,392
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 12,070	$ 64,479	$ 1	$ 4,416	$ 80,966
Accrued salaries and related items	1,973	37,037	-	-	39,010
Accrued retirement	510	7,997	-	-	8,507
Due to other funds	123,664	-	122	-	123,786
Unearned revenue	57,765	34,763	-	-	92,528
TOTAL LIABILITIES	195,982	144,276	123	4,416	344,797
FUND BALANCES					
Nonspendable					
Inventories	57,729	-	7,265	-	64,994
Prepaids	125,000	2,000	-	-	127,000
Restricted for food service	1,291,662	-	-	-	1,291,662
Committed for:					
Community service	-	513,299	-	-	513,299
School store	-	-	7,456	-	7,456
Student/school activities	-	-	-	597,184	597,184
TOTAL FUND BALANCES	1,474,391	515,299	14,721	597,184	2,601,595
TOTAL LIABILITIES AND FUND BALANCES	$ 1,670,373	$ 659,575	$ 14,844	$ 601,600	$ 2,946,392

GRAND LEDGE PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2026

	Special Revenue				Formerly Nonmajor Capital Projects		
	Food Service	Community Service	School Store	Student/ School Activities	Sinking Fund	General Capital Projects	Nonmajor Governmental Funds
REVENUES							
Local sources							
Sales	$ 215,720	$ 1,793,164	$ 25,508	$ -	$ -	$ -	$ 2,034,392
Student/school activities	-	-	-	508,623	-	-	508,623
Investment earnings	21,671	7,392	4	10,232	-	-	39,299
Other	5,393	423,225	-	-	-	-	428,618
Total local sources	242,784	2,223,781	25,512	518,855	-	-	3,010,932
State sources	1,871,593	195,167	-	-	-	-	2,066,760
Federal sources	1,270,098	-	-	-	-	-	1,270,098
TOTAL REVENUES	3,384,475	2,418,948	25,512	518,855	-	-	6,347,790
EXPENDITURES							
Current							
Food service activity	3,008,322	-	-	-	-	-	3,008,322
Community service activity	-	2,358,226	-	-	-	-	2,358,226
School store	-	-	24,207	-	-	-	24,207
Student/school activities	-	-	-	509,336	-	-	509,336
Capital outlay	158,690	-	-	-	-	-	158,690
TOTAL EXPENDITURES	3,167,012	2,358,226	24,207	509,336	-	-	6,058,781
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	217,463	60,722	1,305	9,519	-	-	289,009

	Special Revenue				Formerly Nonmajor Capital Projects		
	Food Service	Community Service	School Store	Student/ School Activities	Sinking Fund	General Capital Projects	Nonmajor Governmental Funds
OTHER FINANCING SOURCES (USES)							
Transfers out	$ (150,000)	$ -	$ -	$ -	$ -	$ -	$ (150,000)
NET CHANGE IN FUND BALANCES	67,463	60,722	1,305	9,519	-	-	139,009
FUND BALANCES							
Beginning of year, as previously presented	1,406,928	454,577	13,416	587,665	4,903,267	5,954,766	13,320,619
Adjustments to beginning fund balances	-	-	-	-	(4,903,267)	(5,954,766)	(10,858,033)
Beginning of year, as restated	1,406,928	454,577	13,416	587,665	-	-	2,462,586
End of year	$ 1,474,391	$ 515,299	$ 14,721	$ 597,184	$ -	$ -	$ 2,601,595

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS - 2019 BUILDING AND SITE
JUNE 30, 2026

$52,145,000 Bonds Issued March 20, 2019.

Interest Due		Principal Due	Debt Service Requirement for Fiscal Year	
May 1	November 1	May 1	June 30,	Amount
$ 1,253,750	$ 1,253,750	$ 865,000	2027	$ 3,372,500
1,232,125	1,232,125	975,000	2028	3,439,250
1,207,750	1,207,750	1,185,000	2029	3,600,500
1,178,125	1,178,125	1,385,000	2030	3,741,250
1,143,500	1,143,500	1,580,000	2031	3,867,000
1,104,000	1,104,000	1,780,000	2032	3,988,000
1,059,500	1,059,500	1,985,000	2033	4,104,000
1,009,875	1,009,875	2,150,000	2034	4,169,750
956,125	956,125	2,320,000	2035	4,232,250
898,125	898,125	2,495,000	2036	4,291,250
835,750	835,750	2,680,000	2037	4,351,500
768,750	768,750	4,235,000	2038	5,772,500
662,875	662,875	4,370,000	2039	5,695,750
553,625	553,625	4,425,000	2040	5,532,250
443,000	443,000	4,430,000	2041	5,316,000
332,250	332,250	4,430,000	2042	5,094,500
221,500	221,500	4,430,000	2043	4,873,000
110,750	110,750	4,430,000	2044	4,651,500
$ 14,971,375	$ 14,971,375	$ 50,150,000		$ 80,092,750

The above bonds dated March 20, 2019 have an interest rate of 5.00%.

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS - 2021 BUILDING AND SITE
JUNE 30, 2026

$30,090,000 Bonds Issued June 3, 2021.

Interest Due		Principal Due	Debt Service Requirement for Fiscal Year	
May 1	November 1	May 1	June 30,	Amount
$ 681,800	$ 681,800	$ 335,000	2027	$ 1,698,600
675,100	675,100	420,000	2028	1,770,200
666,700	666,700	505,000	2029	1,838,400
656,600	656,600	620,000	2030	1,933,200
644,200	644,200	735,000	2031	2,023,400
629,500	629,500	810,000	2032	2,069,000
609,250	609,250	1,015,000	2033	2,233,500
583,875	583,875	1,250,000	2034	2,417,750
552,625	552,625	1,455,000	2035	2,560,250
516,250	516,250	1,590,000	2036	2,622,500
476,500	476,500	1,715,000	2037	2,668,000
433,625	433,625	1,695,000	2038	2,562,250
391,250	391,250	1,735,000	2039	2,517,500
347,875	347,875	1,735,000	2040	2,430,750
304,500	304,500	1,740,000	2041	2,349,000
261,000	261,000	1,740,000	2042	2,262,000
217,500	217,500	1,740,000	2043	2,175,000
174,000	174,000	1,740,000	2044	2,088,000
130,500	130,500	1,740,000	2045	2,001,000
87,000	87,000	1,740,000	2046	1,914,000
43,500	43,500	1,740,000	2047	1,827,000
$ 9,083,150	$ 9,083,150	$ 27,795,000		$ 45,961,300

The above bonds dated June 3, 2021 have interest rates from 4.00% to 5.00%.

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS - 2023 BUILDING AND SITE
JUNE 30, 2026

$23,220,000 Bonds Issued June 29, 2023.

Interest Due		Principal Due		Debt Service Requirement for Fiscal Year	
May 1	November 1	May 1	November 1	June 30,	Amount
$ 449,875	$ 458,000	$ 1,155,000	$ 325,000	2027	$ 2,387,875
412,875	421,000	1,155,000	325,000	2028	2,313,875
374,000	384,000	995,000	400,000	2029	2,153,000
334,125	349,125	690,000	600,000	2030	1,973,250
296,875	316,875	400,000	800,000	2031	1,813,750
264,375	286,875	260,000	900,000	2032	1,711,250
234,500	257,875	-	935,000	2033	1,427,375
214,625	234,500	-	795,000	2034	1,244,125
197,625	214,625	-	680,000	2035	1,092,250
181,375	197,625	-	650,000	2036	1,029,000
165,500	181,375	-	635,000	2037	981,875
150,125	165,500	-	615,000	2038	930,625
131,000	150,125	-	765,000	2039	1,046,125
111,000	131,000	-	1,000,000	2040	1,242,000
84,500	111,000	-	1,325,000	2041	1,520,500
62,200	84,500	-	1,115,000	2042	1,261,700
40,000	62,200	-	1,110,000	2043	1,212,200
30,000	40,000	-	500,000	2044	570,000
20,000	30,000	-	500,000	2045	550,000
10,000	20,000	-	500,000	2046	530,000
-	10,000	-	500,000	2047	510,000
$ 3,764,575	$ 4,106,200	$ 4,655,000	$ 14,975,000		$ 27,500,775

The above bonds dated June 29, 2023 have interest rates from 4.00% to 5.00%.

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS – 2024 BUILDING AND SITE
JUNE 30, 2026

$24,710,000 Bonds Issued May 30, 2024.

Interest Due		Principal Due		Debt Service Requirement for Fiscal Year	
May 1	November 1	May 1	November 1	June 30,	Amount
$ 498,156	$ 498,156	$ 920,000	$ -	2027	$ 1,916,312
479,756	479,756	-	-	2028	959,512
479,756	479,756	-	-	2029	959,512
479,756	479,756	-	-	2030	959,512
479,756	479,756	-	-	2031	959,512
479,756	479,756	-	-	2032	959,512
479,756	479,756	195,000	-	2033	1,154,512
471,556	475,856	-	215,000	2034	1,162,412
465,806	471,556	-	230,000	2035	1,167,362
459,681	465,806	-	245,000	2036	1,170,487
453,181	459,681	-	260,000	2037	1,172,862
447,581	453,181	-	280,000	2038	1,180,762
441,497	447,581	-	295,000	2039	1,184,078
434,072	441,497	-	360,000	2040	1,235,569
425,678	434,072	-	395,000	2041	1,254,750
420,209	425,678	725,000	250,000	2042	1,820,887
393,413	404,350	880,000	500,000	2043	2,177,763
351,113	373,613	1,405,000	1,000,000	2044	3,129,726
290,250	319,500	3,135,000	1,300,000	2045	5,044,750
192,713	219,713	3,230,000	1,200,000	2046	4,842,426
90,788	120,038	2,190,000	1,300,000	2047	3,700,826
12,263	41,513	545,000	1,300,000	2048	1,898,776
$ 8,726,493	$ 8,930,327	$ 13,225,000	$ 9,130,000		$ 40,011,820

The above bonds dated May 30, 2024 have interest rates from 4.00% to 5.00%.

GRAND LEDGE PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS – 2026 REFUNDING
JUNE 30, 2026

$12,160,000 bond issued February 17, 2026

Interest Due		Principal Due	Debt Service Requirement for Fiscal Year	
May 1	November 1	May 1	June 30,	Amount
$ 298,550	$ 298,550	$ 1,245,000	2027	$ 1,842,100
267,425	267,425	1,600,000	2028	2,134,850
227,425	227,425	1,650,000	2029	2,104,850
186,175	186,175	1,090,000	2030	1,462,350
164,375	164,375	1,085,000	2031	1,413,750
137,250	137,250	1,065,000	2032	1,339,500
110,625	110,625	925,000	2033	1,146,250
87,500	87,500	895,000	2034	1,070,000
65,125	65,125	885,000	2035	1,015,250
43,000	43,000	870,000	2036	956,000
21,250	21,250	850,000	2037	892,500
$ 1,608,700	$ 1,608,700	$ 12,160,000		$ 15,377,400

The above bonds dated February 17, 2026 have interest rates from 4.00% to 5.00%.

Maner Costerisan

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Grand Rapids, MI 49546

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

To the Board of Education
Grand Ledge Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Ledge Public Schools, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Grand Ledge Public Schools' basic financial statements, and have issued our report thereon dated October 8, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grand Ledge 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 Grand Ledge Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Grand Ledge 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 Grand Ledge Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Maner Costerisan PC

Lansing, Michigan
October 8, 2026

Maner Costerisan

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October 8, 2026

To the Board of Education
Grand Ledge Public Schools

In planning and performing our audit of the financial statements of Grand Ledge Public Schools as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered Grand Ledge Public Schools' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted one matter involving internal control and other operational matters that is presented for your consideration. This letter does not affect our report dated October 8, 2026 on the financial statements of Grand Ledge Public Schools. We will review the status of this comment during our next audit engagement. Our comment and recommendation, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, perform any additional study of this matter, or assist you in implementing the recommendations. Our comment is summarized as follows.

Food Service Fund Balance

Per Michigan Department of Education (MDE) guidelines, school food authorities (SFA) must operate food services on a nonprofit basis. We noted that the food service fund balance exceeded the three months' operating expenditures allowed. MDE requires that the SFA spend down the excess by the end of the next school year. We recommend that Grand Ledge Public Schools develop a plan to spend down the excess by June 30, 2027 and submit the plan to MDE.

This report is intended solely for the information and use of management, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation we received from your staff during our engagement and the opportunity to be of service.

Very truly yours,

Maner Costerisan PC

Lansing, Michigan

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October 8, 2026

To the Board of Education
Grand Ledge Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Ledge Public Schools for the year ended June 30, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information orally during our discussion on June 26, 2026. 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 Grand Ledge Public Schools are described in Note 1 to the financial statements. As described in Note 12 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements* and No. 104, *Disclosure of Certain Capital Assets* during the year ended June 30, 2026. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by Grand Ledge Public Schools 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 financial statements of the governmental activities were:

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

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

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

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

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are 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 clearly 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, a disagreement with management is 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 8, 2026.

Management Consultations with Other Independent Accountants

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

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) 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 other supplementary information, 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.

Restriction on Use

This information is intended solely for the use of the management and members of the Board of Education of Grand Ledge Public Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maner Costerisan PC

Lansing, Michigan