Holton Public Schools

REPORT ON FINANCIAL STATEMENTS
(with required supplementary information)

Year ended June 30, 2026

Holton
Public Schools

Holton Public Schools

TABLE OF CONTENTS

Independent Auditor's Report 1

Management's Discussion and Analysis 4

Basic Financial Statements
- District-wide Financial Statements
  - Statement of Net Position 12
  - Statement of Activities 13
- Fund Financial Statements
  - Governmental Funds
    - Balance Sheet 14
    - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 15
    - Statement of Revenues, Expenditures and Changes in Fund Balances 16
    - Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities 17
- Notes to Financial Statements 18

Required Supplementary Information
- Budgetary Comparison Schedule—General Fund 44
- Schedule of the School District's Proportionate Share of the Net Pension Liability 46
- Schedule of the School District's Pension Contributions 47
- Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset) 48
- Schedule of the School District's OPEB Contributions 49
- Notes to Required Supplementary Information. 50

Brickley DeLong
CPAs AND ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Education
Holton Public Schools
Holton, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Holton Public Schools, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Holton 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 Holton Public Schools as of June 30, 2026, and the respective changes in financial position 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 Holton 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 Holton 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.

Report on the Audit of the Financial Statements—Continued

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 judgement 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 Holton 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Holton 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.

Report on the Audit of the Financial Statements—Continued

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules and pension and other post-employment benefits information 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 21, 2026, on our consideration of Holton 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 Holton 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 Holton Public Schools' internal control over financial reporting and compliance.

Brickley DeLong, P.C.

Hart, Michigan
October 21, 2026

The purpose of management's discussion and analysis (MD&A) is to help the Holton Public Schools' (School District) residents and other readers understand what the financial statements and notes in this financial report say about the School District's financial health and why it has 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 School District's finances.

Overview of the Financial Statements

The School District's financial report contains basic financial statements. Those financial statements present the School District's finances at both an overall and a detailed level. The first two - the *government-wide financial statements* - cover the School District's governmental activities.

- *Governmental activities* comprise the School District's most basic functions, such as instruction, support services, and food services. Governmental activities primarily are financed by property taxes from nonpersonal 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 School 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 School District reports governmental fund financial statements. These report all of the governmental activities. In addition to the School 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.

The next section of this financial report contains *notes to financial statements*, which delve deeper into the School District's finances as reported in the financial statements. The information in the notes is as important to understanding the School District's finances as the information in the financial statements. The School 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 School District's financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. In other words, they comprehensively report all types of financial statement elements:

- *Assets* - resources the School District controls, from short-term assets like cash and cash equivalents to long-term assets like buildings and transportation equipment.
- *Liabilities* - amounts the School 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.

Types of Information Reported in the School District's Financial Statements

	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 School 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 School 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 School 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 relate 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.

Financial Summary and Analysis

The table below shows that as of June 30, 2026, the School District's total net position, assets and deferred outflows minus liabilities and deferred inflows, was $(4,064,419), an increase of $3,398,406 or 45.5 percent compared with 2025.

Statement of Net Position

	2026	2025	Dollar Change	Total Percentage Change
Assets				
Current and other assets	$ 5,496,403	$ 6,867,763	$ (1,371,360)	(20.0) %
Noncurrent assets	18,886,251	17,186,599	1,699,652	9.9
Total assets	24,382,654	24,054,362	328,292	1.4
Deferred outflows of resources	3,980,777	5,480,156	(1,499,379)	(27.4)
Total assets and deferred outflow of resources	28,363,431	29,534,518	(1,171,087)	(4.0)
Liabilities				
Current liabilities	3,365,485	3,844,612	(479,127)	(12.5)
Long-term liabilities	21,227,816	25,756,991	(4,529,175)	(17.6)
Total liabilities	24,593,301	29,601,603	(5,008,302)	(16.9)
Deferred inflows of resources	7,834,549	7,395,740	438,809	5.9
Total liabilities and deferred inflows of resources	32,427,850	36,997,343	(4,569,493)	(12.4)
Net Position				
Net investment in capital assets	5,358,711	4,652,489	706,222	15.2
Restricted	4,511,995	3,281,181	1,230,814	37.5
Unrestricted	(13,935,125)	(15,396,495)	1,461,370	(9.5)
Total net position	**$ (4,064,419)**	**$ (7,462,825)**	**$ 3,398,406**	(45.5) %

Governmental Activities

Table 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 School District's governmental activities was $(4,064,419), an increase of $3,398,406 from 2025. Various events contributed to this increase in net position; however, the primary factors affecting the change in net position are as follows:

- Changes in Federal and State Operating Grants and Related Expenses
- Artificial Turf Replacement Project
- School Improvement Sinking Fund
- Impact of Pension and OPEB Activity

Statement of Activities

	2026	2025	Dollar Change	Total Percentage Change
Revenue				
Program revenue				
Charges for services	$ 245,617	$ 178,074	$ 67,543	37.9 %
Grants and contributions	5,773,115	6,186,612	(413,497)	(6.7)
General revenue				
Property taxes	2,726,852	2,516,558	210,294	8.4
Unrestricted state aid	6,662,520	6,624,681	37,839	0.6
Investment and other income	151,873	135,280	16,593	12.3
Total revenues	15,559,977	15,641,205	(81,228)	(0.5)
Function/Program Expense				
Instruction	5,127,642	5,769,025	(641,383)	(11.1)
Support services	4,762,033	4,946,841	(184,808)	(3.7)
Community services	55,112	61,172	(6,060)	(9.9)
Food services	1,057,306	1,033,181	24,125	2.3
Student/school activities	217,259	206,018	11,241	5.5
Athletics	486,978	581,997	(95,019)	(16.3)
Interest on long-term debt	455,241	508,058	(52,817)	(10.4)
Total expenses	12,161,571	13,106,292	(944,721)	(7.2)
Changes in net position	3,398,406	2,534,913	863,493	34.1
Beginning net position	(7,462,825)	(9,997,738)	2,534,913	(25.4)
Ending net position	**$ (4,064,419)**	**$ (7,462,825)**	**$ 3,398,406**	(45.5) %

Changes in Federal and State Operating Grants and Related Expenses

During the current fiscal year, the School District experienced a decrease in certain operating grants and contributions from state and federal sources compared to the prior year. The decline was primarily due to lower grant funding and the expiration of certain one-time funding sources that had supported the School District's programs in previous years. These grants include 31AA Mental Health, which decreased in 2026, 147C(2) MPSERS One-Time Deposit, which was a one-time grant in 2025, and 147A MPSERS cost offset, which decreased in 2026. However, to offset these reductions in other grants, the school district utilized 31a At-Risk and Stronger Connections grant more. The School District charged eligible costs, such as salaries and benefits, and instructional supplies, to the grant instead of other funding sources. This allowed the School District to continue providing the services previously supported by the grants that ended.

Artificial Turf Replacement Project

During the prior fiscal year, the School District issued $850,000 bonds to finance the replacement of the artificial turf field. The bond proceeds were received in the prior year, while construction of the turf project continued into the current fiscal year. The project was completed during the current year and the remaining bond proceeds were fully expended on the project costs. The School District started making payments on this bond in the current year using General Fund funds.

School Improvement Sinking Fund
The School District fully repaid its School Improvement Sinking bond in the prior year. As a result, the School District is no longer required to make the annual $113,000 transfer from the General Fund. The elimination of this transfer allowed more funds to be spent within the General Fund.

Impact of Pension and OPEB Activity
The School District participates in the Michigan Public School Employees' Retirement System (MPSERS), a cost-sharing pension and Other Post-Employment Benefits (OPEB) plan. Although the School District made all required payments to the plan during the year, accounting standards require the government-wide financial statements to include the School District's share of pension and OPEB activity reported by MPSERS. These adjustments are based on factors such as investment earnings, actuarial assumptions, and changes in the plan's overall financial position. In both the current and prior years, these accounting adjustments significantly reduced reported expenses on the Statement of Activities, resulting in a favorable impact on the School District's change in net position. Because these amounts are determined at the state plan level and not by the School District's actual cash contributions, they can vary significantly from year to year. In the current year, the reduction in expense was $2,555,176 and $1,769,875 in the prior year.

Governmental Funds

The School District reports three major funds individually in the governmental fund financial statements. These funds are the General Fund, the Food Service Fund, and the Capital Projects 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 School District's current financial health are more apparent in the fund financial statements than in the government-wide statements. The changes are shown in this table and are discussed in more detail below.

Revenues, Expenditures, and Changes in Fund Balances

	General Fund		Food Service Fund		Capital Projects	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**
REVENUES	$ 12,273,164	$ 12,139,532	$ 1,190,720	$ 1,105,100	$ 10,501	$ 9,683
EXPENDITURES	12,409,708	11,629,704	1,134,736	977,866	766,361	192,893
Excess (deficiency) of revenues over (under) expenditures	(136,544)	509,828	55,984	127,234	(755,860)	(183,210)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	25,000	25,000
Transfers out	(25,000)	(138,333)	-	-	-	-
Loan proceeds	-	-	-	-	-	850,000
Lease proceeds	46,713	-	-	-	-	-
Proceeds from subscription-based IT arrangements	15,718	-	-	-	-	-
Proceeds from sale of capital assets	48,893	-	-	-	-	-
Total other financing sources (uses)	86,324	(138,333)	-	-	25,000	875,000
Net change in fund balance	(50,220)	371,495	55,984	127,234	(730,860)	691,790
Beginning fund balance	2,121,644	1,750,149	495,995	368,761	1,022,545	330,755
Ending fund balance	**$ 2,071,424**	**$ 2,121,644**	**$ 551,979**	**$ 495,995**	**$ 291,685**	**$ 1,022,545**

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 School District's General Fund decreased by $50,220. The decline in fund balance is attributable to a decline in certain grants (previously discussed), continuation of certain expenditure (previously discussed), the purchase of one new and three used buses, and the payment on the capital improvement bond (previously discussed).

The overall fund balance at the end of June 30, 2026, represented approximately 16.7 percent of operating expenditures. Within fund balance, 85 percent of the balance is considered unassigned. A small portion is for nonspendable prepaid items. The remaining 15 percent is considered assigned to the subsequent year's budget appropriations.

Food Service Fund
The fund balance for the Food Service Fund is considered to be 100 percent restricted. This means that the fund balance can only be used for providing food services and is not readily available for use. The federal government requires that this fund have less than 3 months of operations in its fund balance. As of June 30, 2026, the fund had 4.4 months of operations in fund balance. During the year, the School District purchased a dishwasher for $95,097 to reduce the fund balance. The School District continues to monitor the budget and activity to reduce the fund balance to below 3 months of operations.

Capital Projects
The Capital Projects Fund is used for capital projects from contributions in the current and past years from the General Fund. As discussed above, the school received bond proceeds in the previous year and completed the replacement of the artificial turf in the current year. These bond proceeds flowed through this fund and were used entirely during the year. The balance of this fund at June 30, 2026 is considered to be 100 percent committed for future capital projects.

Capital Assets

At June 30, 2026, the School District had $15,234,592 invested in capital assets. The net capital asset amount represents a net increase, including additions, deletions, and depreciation/amortization, of $201,184 from last year, or 1.3 percent.

Capital Assets, Net of Depreciation/Amortization

	2026	2025	Total Percentage Change
Land	$ 268,925	$ 268,925	- %
Construction in progress	-	170,505	(100.0)
Buildings and improvements	14,215,333	14,049,643	1.2
Furniture and equipment	460,603	358,838	28.4
Transportation equipment	276,633	185,497	49.1
Right-to-use—subscription-based IT	13,098	-	100.0
Total capital assets, net	**$ 15,234,592**	**$ 15,033,408**	1.3 %

During the current year, capital asset additions totaled $1,128,276 and depreciation/amortization was $927,092. Additions include the artificial turf replacement project, a dishwasher, copiers, and one new and three used busses.

Long-term obligations

Overall, the carrying value of the School District's long-term obligations decreased by 10.4 percent from the prior year.

Long-Term Obligations

	2026	2025	Total Percentage Change
Bonds	$ 9,440,000	$ 10,600,000	(10.9) %
Other obligations	3,330,791	3,655,696	(8.9)
Total long-term obligations	**$ 12,770,791**	**$ 14,255,696**	(10.4) %

During 2026, the total amount of principal paid in the current year was approximately $1,500,000. The School District entered into a five year lease agreement for 4 copiers. The School District also utilizes a School Loan Revolving Fund, which accrued approximately $107,000 of interest in the current year. The School District started making principal payments on the School Loan Revolving Fund in the current year and the overall balance decreased by approximately $204,000.

Currently Known Facts, Decisions, or Conditions

The School District's financial position and results of future operations may be affected by certain currently known facts, decisions, and conditions. Management considered factors that are expected to have a significant effect on the School District's financial position or results of operations in the upcoming fiscal year. The following items are expected to have the most significant impact on the School District's 2026-2027 financial operations:

- The School District continues to experience declining student enrollment due to several factors, including families relocating outside the School District, school-of-choice enrollment, and economic conditions within the surrounding area. Student enrollment is an important factor in determining the School District's State Aid funding, as the State's foundation allowance and certain grants and other funding sources are calculated on a per-pupil basis. As a result, decreases in student enrollment can directly reduce the amount of revenue available to support the School District's educational programs and operations. Continued enrollment declines may therefore negatively affect future State Aid and other per-pupil funding and place additional pressure on the School District's financial resources.

- The School District's 2026-2027 budget reflects increased personnel costs resulting from the ratification of a new five-year teacher contract. The agreement includes average salary increases of approximately 10% to 12% for teachers, which will increase instructional expenditures in the upcoming fiscal year and have an ongoing effect on future operating costs. Additionally, healthcare costs continue to place pressure on the School District's operating budget. Health insurance premiums have been increasing approximately 10% annually, while the statutory healthcare hard-cap amounts have increased at a substantially lower rate of approximately 3%.

- The School District also anticipates higher maintenance and capital-related expenditures during 2026-2027 as several significant projects are expected to be completed. These projects include septic pump work, air handler improvements, parking lot repairs, and a new well. These expenditures are expected to increase facilities-related costs compared with the current year.

Collectively, declining enrollment and the resulting potential reduction in State Aid, contractual salary increases, significant facility needs, and rising healthcare costs are expected to place additional pressure on the School District's financial position and operating budget in 2026-2027 and subsequent years.

Management will continue to monitor enrollment trends, State Aid funding, personnel and healthcare costs, and facility needs as it evaluates the School District's financial outlook. The School District will consider these factors in future budgeting and financial planning decisions and will continue to evaluate available resources and expenditures to maintain financial stability while meeting the educational and operational needs of its students.

Requests for Information

This financial report is designed to provide the School District's citizens, taxpayers, parents, students, investors and creditors with a general overview of the School District's finances, and to show how the School District is accountable for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Business Department at the Holton Public Schools Administrative Office, Holton, Michigan 49425.

Holton Public Schools
STATEMENT OF NET POSITION
June 30, 2026

	Governmental activities
ASSETS	
Current assets	
Cash and cash equivalents	$ 1,457,074
Investments	1,757,791
Receivables	25,159
Due from other governmental units	2,174,717
Inventories	21,592
Prepaid items	60,070
Total current assets	5,496,403
Noncurrent assets	
Capital assets, net	
Nondepreciable/amortizable	268,925
Depreciable/amortizable	14,965,667
Net other postemployment benefits asset	3,651,659
Total noncurrent assets	18,886,251
Total assets	24,382,654
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	59,906
Related to other postemployment benefits	776,244
Related to pensions	3,144,627
Total deferred outflows of resources	3,980,777
Total assets and deferred outflows of resources	28,363,431
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	1,402,705
Due to other governmental units	40,112
Unearned revenue	677,668
Bonds and other obligations, due within one year	1,245,000
Total current liabilities	3,365,485
Noncurrent liabilities	
Bonds and other obligations, less amounts due within one year	11,525,791
Net pension liability	9,702,025
Total noncurrent liabilities	21,227,816
Total liabilities	24,593,301
DEFERRED INFLOWS OF RESOURCES	
Related to other postemployment benefits	3,125,595
Related to pensions	4,708,954
Total deferred inflows of resources	7,834,549
Total liabilities and deferred inflows of resources	32,427,850
NET POSITION	
Net investment in capital assets	5,358,711
Restricted for	
Debt service	281,823
Food service	551,979
Technology	26,534
Net other postemployment benefits	3,651,659
Unrestricted	(13,935,125)
Total net position	**$ (4,064,419)**

The accompanying notes are an integral part of this statement.

Holton Public Schools
STATEMENT OF ACTIVITIES
For the year ended June 30, 2026

Functions/Programs	Expenses	Program Revenue: Charges for services	Program Revenue: Operating grants and contributions	Net (Expense) Revenue and Changes in Net Position: Governmental activities
Governmental activities				
Instruction	$ 5,127,642	$ 55,960	$ 2,309,527	$ (2,762,155)
Support services	4,762,033	123,621	2,043,205	(2,595,207)
Community services	55,112	-	57,501	2,389
Food services	1,057,306	48,695	1,141,608	132,997
Student/school activities	217,259	-	221,274	4,015
Athletics	486,978	17,341	-	(469,637)
Interest on long-term debt	455,241	-	-	(455,241)
Total governmental activities	**$ 12,161,571**	**$ 245,617**	**$ 5,773,115**	(6,142,839)
General revenues				
Property taxes				2,726,852
Grants and contributions not restricted to specific programs				6,662,520
Investment earnings				93,456
Gain (loss) on disposition of capital assets				48,893
Miscellaneous				9,524
Total general revenues				9,541,245
Change in net position				3,398,406
Net position at beginning of year				(7,462,825)
Net position at end of year				**$ (4,064,419)**

The accompanying notes are an integral part of this statement.

Holton Public Schools
BALANCE SHEET
Governmental Funds
June 30, 2026

	General Fund	Food Service Fund	Capital Projects	Other governmental funds	Total governmental funds
ASSETS					
Cash and cash equivalents	$ 992,291	$ 23,195	$ 291,685	$ 149,903	$ 1,457,074
Investments	1,557,562	-	-	200,229	1,757,791
Receivables	25,159	-	-	-	25,159
Due from other governmental units	1,990,154	30,578	-	153,985	2,174,717
Due from other funds	24,637	487,900	-	46,270	558,807
Inventories	-	21,592	-	-	21,592
Prepaid items	10,070	50,000	-	-	60,070
Total assets	**$ 4,599,873**	**$ 613,265**	**$ 291,685**	**$ 550,387**	**$ 6,055,210**
LIABILITIES					
Accounts payable	$ 21,462	$ 59,796	$ -	$ 1,820	$ 83,078
Accrued liabilities	1,256,527	-	-	-	1,256,527
Due to other governmental units	40,112	-	-	-	40,112
Due to other funds	534,170	-	-	24,637	558,807
Unearned revenue	676,178	1,490	-	-	677,668
Total liabilities	2,528,449	61,286	-	26,457	2,616,192
FUND BALANCES					
Nonspendable					
Inventories	-	21,592	-	-	21,592
Prepaid items	10,070	50,000	-	-	60,070
Restricted					
Debt service	-	-	-	344,923	344,923
Food service	-	480,387	-	-	480,387
Technology	-	-	-	26,534	26,534
Committed					
Student/school activities	-	-	-	152,473	152,473
Capital projects	-	-	291,685	-	291,685
Assigned to subsequent year's budget appropriations	310,564	-	-	-	310,564
Unassigned	1,750,790	-	-	-	1,750,790
Total fund balances	2,071,424	551,979	291,685	523,930	3,439,018
Total liabilities and fund balances	**$ 4,599,873**	**$ 613,265**	**$ 291,685**	**$ 550,387**	**$ 6,055,210**

The accompanying notes are an integral part of this statement.

Holton Public Schools
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2026

Total fund balance—governmental funds		$ 3,439,018
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and are not reported in the governmental funds.		
Cost of capital assets	$ 34,191,955	
Accumulated depreciation/amortization	(18,957,363)	15,234,592
Net other postemployment benefits in governmental activites are not current financial resources and therefore are not reported in the governmental funds.		3,651,659
Deferred charges on refunding are not capitalized and amortized in the governmental funds.		
Deferred charges on refunding	235,699	
Accumulated amortization	(175,793)	59,906
Deferred inflows and outflows of resources related to pensions and other postemployment benefits are not reported in the governmental funds.		
Deferred outflows of resources - related to other postemployment benefits	776,244	
Deferred inflows of resources - related to other postemployment benefits	(3,125,595)	
Deferred outflows of resources - related to pensions	3,144,627	
Deferred inflows of resources - related to pensions	(4,708,954)	(3,913,678)
Accrued interest in governmental activities is not reported in the governmental funds.		(63,100)
Long-term obligations in governmental activities are not due and payable in the current period and are not reported in the governmental funds.		(22,472,816)
Net position of governmental activities		**$ (4,064,419)**

The accompanying notes are an integral part of this statement.

Holton Public Schools
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Governmental Funds
For the year ended June 30, 2026

	General Fund	Food Service Fund	Capital Projects	Other governmental funds	Total governmental funds
REVENUES					
Local sources					
Property taxes	$ 1,030,781	$ -	$ -	$ 1,696,071	$ 2,726,852
Investment earnings	61,835	417	10,501	20,703	93,456
Fees and charges	81,628	48,048	-	-	129,676
Student/school activity income	-	-	-	221,274	221,274
Other	542,182	647	-	197,806	740,635
Total local sources	1,716,426	49,112	10,501	2,135,854	3,911,893
State sources	9,908,203	33,198	-	3,110	9,944,511
Federal sources	648,535	1,108,410	-	-	1,756,945
Total revenues	12,273,164	1,190,720	10,501	2,138,964	15,613,349
EXPENDITURES					
Current					
Instruction	6,660,836	-	-	60,871	6,721,707
Support services	5,231,538	34,847	-	161,663	5,428,048
Food services	-	1,099,889	-	-	1,099,889
Athletics	347,555	-	-	-	347,555
Community services	55,112	-	-	-	55,112
Student/school activities	-	-	-	228,566	228,566
Debt service					
Principal repayment	78,472	-	-	1,406,000	1,484,472
Interest and other charges	36,195	-	-	391,501	427,696
Capital projects	-	-	766,361	-	766,361
Total expenditures	12,409,708	1,134,736	766,361	2,248,601	16,559,406
Excess (deficiency) of revenues over (under) expenditures	(136,544)	55,984	(755,860)	(109,637)	(946,057)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	25,000	-	25,000
Transfers out	(25,000)	-	-	-	(25,000)
Proceeds from subscription-based IT arrangements	15,718	-	-	-	15,718
Proceeds from lease agreements	46,713	-	-	-	46,713
Proceeds from sale of capital assets	48,893	-	-	-	48,893
Total other financing sources (uses)	86,324	-	25,000	-	111,324
Net change in fund balances	(50,220)	55,984	(730,860)	(109,637)	(834,733)
Fund balances at beginning of year, as previously presented	2,121,644	-	1,022,545	1,129,562	4,273,751
Adjustments to beginning fund balances	-	495,995	-	(495,995)	-
Fund balances at beginning of year, as restated	2,121,644	495,995	1,022,545	633,567	4,273,751
Fund balances at end of year	**$ 2,071,424**	**$ 551,979**	**$ 291,685**	**$ 523,930**	**$ 3,439,018**

The accompanying notes are an integral part of this statement.

Holton Public Schools

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

For the year ended June 30, 2026

Net change in fund balances—total governmental funds		$ (834,733)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures; in the Statement of Activities these costs are depreciated/amortized over their estimated useful lives.		
Depreciation/amortization expense	$ (927,092)	
Capital outlay	1,128,276	201,184
Governmental funds report outlays for deferred charges on refunding as expenditures; in the Statement of Activities the costs are amortized over the bond period.		
Amortization expense		(15,626)
Debt proceeds are other financing sources in the governmental funds, but the proceeds increase long-term debt in the Statement of Net Position.		(169,497)
Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.		1,576,202
Interest expense on long-term obligations is recorded in the Statement of Activities when incurred, but is not reported in governmental funds until paid.		7,500
Compensated absences and other termination obligations reported in the Statement of Activities do not require the use of current financial resources. They are reported as expenditures when financial resources are used in the governmental funds.		78,200
Some other postemployment benefits related 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.		1,211,846
Some pension related revenues and expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as revenues and expenditures in the governmental funds.		1,343,330
Change in net position of governmental activities		**$ 3,398,406**

The accompanying notes are an integral part of this statement.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Holton Public Schools (School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

Reporting Entity
The School District is governed by an elected seven-member Board of Education (Board), which has responsibility and control over all activities related to public school education within the School District. The School District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities.

Generally accepted accounting principles require that if the School District is considered to be financially accountable for other organizations, those organizations should be included as component units in the School District's financial statements. Since no organizations met this criterion, none are included in the financial statements.

Basis of Presentation—Government-wide and Fund Financial Statements
The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the School District. All fiduciary activities, if any, are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

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

The fund financial statements provide information about the School District's funds. 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 School District reports the following major governmental funds:

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

The Food Service Fund accounts for revenue sources that are legally restricted to expenditures for food services purposes.

The Capital Projects Fund includes capital project activities funded with bonds. For this capital project, the School District has complied with the applicable provisions of Section 1351a of the Revised School Code. The project for which the 2025 School Improvement Bond that was issued was considered complete on June 30, 2026.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-wide and Fund Financial Statements—Continued
Additionally, the School District reports the following fund types:

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 School District accounts for its student/school activities, and safety and technology activities in the school service special revenue funds.

The debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

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

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

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

The 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 School District considers revenues to be available if they are 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 capital leases are reported as other financing sources.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Measurement Focus and Basis of Accounting—Continued

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 school districts. For the current fiscal year, the foundation allowance was based on pupil membership counts taken in October and February.

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. 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 due from other governmental units.

The School 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 considered to be measurable and available only when cash is received by the government.

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

Cash and Investments

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

Investments for the School District are reported at fair value (generally based on quoted market prices). Standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the School District intends to hold the investment until maturity.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Cash and Investments—Continued

State statutes authorize the School District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in 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. The School District is also authorized to invest in U. S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above. The School District's deposits and investments are in accordance with statutory authority.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. 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 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, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

As the School District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

Capital Asset Classes	Years
Buildings and improvements	20-50
Furniture and equipment	5-20
Vehicles and equipment	8
Right-to-use—subscription-based IT	2-3

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Long-term Obligations
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses 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.

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

Deferred Outflows/Inflows of Resources
In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position Flow Assumption
Sometimes the government 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 of net position to report as restricted and unrestricted 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 School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

In the computation of net investment in capital assets, School Loan Revolving Fund debt is not considered to be capital related debt.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Fund Balance Flow Assumptions
Sometimes the School 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 School 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 government 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 School District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by formal action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken (another formal action) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the School 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.

Leases and Subscription Based IT Arrangements (SBITA)
The School District is a lessee for a noncancelable lease/subscription of a building and an IT arrangement. The School District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The School District recognizes a lease/SBITA liability and an intangible right-to-use lease/SBITA asset in the government-wide financial statements

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

NOTE A—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 related to leases included how the School District determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments.

The School 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 School District generally uses its estimated incremental borrowing rate as the discount rate for a lease/SBITA.

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

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

Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term obligations on the Statement of Net Position.

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 or capital 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 School District are collected by various municipalities and periodically remitted to the School District. The taxes are levied as of 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 date is February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

Compensated Absences
The School District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements. The liability for compensated absences includes salary and related benefits, where applicable.

For fund financial statements, no compensated absence liability is reported for current employees and a compensated absence liability is reported for terminated employees only when the termination date is on or before year end.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

School Bond Construction Compliance

The Capital Projects Fund includes capital project activities funded with bonds issued after May 1, 1994. For this capital project, the School District has complied with the applicable provisions of §1351(a) of the State of Michigan's School Code. Beginning with the year of bond issuance, the school district has reported the annual construction activity in the Capital Projects Fund. The project for which the 2025 School Improvement Bond was issued was considered complete on June 30, 2026 and the cumulative expenditures recognized for the construction period were $870,184.

Following is a summary of the revenue and expenditures in the Capital Projects Fund from the inception of the fund through June 30, 2026:

	Capital Projects Fund
Revenue and bond proceeds	$ 870,184
Expenditures	870,184

NOTE C—DEPOSITS AND INVESTMENTS

As of June 30, 2026, the School District had the following investments:

Investment Type	Fair value	Weighted average maturity (Days)	Standard & Poor's rating
MILAF External Investment pool - CMC	$ 373,965	49	AAAm
MILAF - Max Class	1,383,826	49	AAAm
Total fair value	**$ 1,757,791**		
Portfolio weighted average maturity		**49**	

Interest rate risk

In accordance with its investment policy, the School 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 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 School District's cash requirements.

Credit risk

State law limits investments in commercial paper and corporate bonds to the three highest classifications issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices.

Concentration of credit risk

In accordance with its investment policy, the School District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the School District 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.

NOTE C—DEPOSITS AND INVESTMENTS—Continued

Custodial credit risk - deposits
In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of June 30, 2026, $1,268,733 of the School District's bank balance of $1,518,733 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk - investments
For an investment this is the risk that, in the event of the failure of the counterparty, the School 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 School District will minimize custodial credit risk, which is the risk of loss due to 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 School District will do business.

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

Fair value management
The School 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. These funds are not subject to the fair value disclosures.

	Amortized Cost
MILAF External Investment pool - CMC	$ 373,965
MILAF External Investment pool - MAX class	1,383,826
	$ 1,757,791

NOTE D—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026 was as follows:

	Balance July 1, 2025	Additions	Deductions	Balance June 30, 2026
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 268,925	$ -	$ -	$ 268,925
Construction in progress	170,505	-	170,505	-
Total capital assets, not being depreciated/amortized	439,430	-	170,505	268,925
Capital assets, being depreciated/amortized:				
Buildings and improvements	30,660,364	936,865	-	31,597,229
Furniture and equipment	1,230,320	180,965	56,345	1,354,940
Vehicles and equipment	866,268	165,233	76,358	955,143
Right-to-use—subscription-based IT	-	15,718	-	15,718
Total capital assets, being depreciated/amortized	32,756,952	1,298,781	132,703	33,923,030
Less accumulated depreciation/amortization:				
Buildings and improvements	16,610,721	771,175	-	17,381,896
Furniture and equipment	871,482	79,200	56,345	894,337
Vehicles and equipment	680,771	74,097	76,358	678,510
Right-to-use—subscription-based IT	-	2,620	-	2,620
Total accumulated depreciation/amortization	18,162,974	927,092	132,703	18,957,363
Total capital assets, being depreciated/amortized, net	14,593,978	371,689	-	14,965,667
Capital assets, net	**$ 15,033,408**	**$ 371,689**	**$ 170,505**	**$ 15,234,592**

Depreciation/amortization

Depreciation/amortization expense has been charged to functions as follows:

Instruction	$ 300,392
Support services	350,354
Athletics	223,832
Food services	52,514
	$ 927,092

NOTE E—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2026 is as follows:

Receivable fund	Payable fund	Amount
General Fund	Other Governmental Funds	$ 24,637
Food Service Fund	General Fund	487,900
Other governmental funds	General Fund	46,270
		$ 558,807

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.

Interfund Transfers
The General Fund also transferred $25,000 to the Capital Projects Fund to fund future capital expenditures.

NOTE F—SHORT-TERM DEBT

The School District issues State of Michigan school aid anticipation notes to provide short-term operating funds. The notes are obligations of the General Fund, which received the note proceeds, and are backed by the full faith, credit and resources of the School District. In the event of default, the State of Michigan can withhold future state aid payments. The short-term debt activity for the year ended June 30, 2026 follows:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026
State aid anticipation notes				
2024/2025 4.90% due and paid August 2025	**$ 600,000**	**$ -**	**$ 600,000**	**$ -**

NOTE G—LONG-TERM OBLIGATIONS

The School District issues bonds, notes and other contractual commitments to provide for the acquisition, construction and improvement of major capital facilities, for the acquisition of certain equipment and for subscription-based information technology. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Notes from direct borrowings and direct placements include the School Loan Revolving fund. The School District's debt retirement funds are used as the primary resource to liquidate the general obligation bonds. In the event such resources proved insufficient, the School District's General Fund would be used to pay all obligations.

NOTE G—LONG-TERM OBLIGATIONS—Continued

The following is a summary of long-term obligations activity for the School District for the year ended June 30, 2026:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Due within one year
Governmental activities					
General obligation bonds	$ 10,600,000	$ -	$ 1,160,000	$ 9,440,000	$ 1,215,000
Premium	538,558	-	91,730	446,828	-
Notes from direct borrowings and direct placements	2,711,938	153,779	319,045	2,546,672	9,000
SBITA	-	15,718	5,427	10,291	5,000
Compensated absences*	405,200	-	78,200	327,000	16,000
	$ 14,255,696	**$ 169,497**	**$ 1,654,402**	**$ 12,770,791**	**$ 1,245,000**

*The change in the compensated absences liability is presented as a net change.

The additions for notes from direct borrowings and direct placements include $107,066 of accrued interest on the School Loan Revolving Fund.

The governmental activities general obligation bonds are secured by future state aid and property tax revenues of the School District. If the School District defaults, the bonds are callable. The governmental activity notes from direct borrowings and direct placements contains notes payable to the State of Michigan under the School Loan Revolving Fund (SLRF) and financed purchase. The SLRF is secured by future state aid and property tax revenues of the School District. In the event of default, the State of Michigan can withhold future state aid payments. The financed purchase is non-cancellable by the School District and is secured by the equipment or building.

General obligation bonds and notes from direct borrowing and direct placements consist of the following as of June 30, 2026:

	Interest Rate	Date of Maturity	Balance
Govermental Activities			
General obligation bonds			
2015A Refunding General Obligation Bond	4.0%	May 2028	$ 850,000
2015B Refunding General Obligation Bond	4.0%	May 2030	2,375,000
2018 School Building and Site Bond	4.0%	May 2044	5,430,000
2025 School Improvement Bond	4.1%	May 2035	785,000
			$ 9,440,000
Notes from direct borrowings and direct placements			
School Loan Revolving Fund	4.2%	May 2036	$ 2,508,004
Financing arrangement—copiers	3.7%	May 2031	38,668
			$ 2,546,672

NOTE G—LONG-TERM OBLIGATIONS—Continued

The annual requirements of principal and interest to amortize the bonds and notes from direct borrowings and direct placements outstanding as of June 30, 2026 follow:

	Governmental activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
Year ended June 30,	Principal	Interest	Principal	Interest
2027	$ 1,215,000	$ 378,386	$ 9,000	$ 1,294
2028	1,255,000	329,710	9,000	954
2029	910,000	279,436	10,000	602
2030	940,000	242,956	10,000	235
2031	350,000	205,270	668	5
2032-2036	1,855,000	803,582	2,508,004	-
2037-2041	1,730,000	448,800	-	-
2042-2044	1,185,000	96,000	-	-
	$ 9,440,000	**$ 2,784,140**	**$ 2,546,672**	**$ 3,090**

NOTE H—LEASES AND SUBSCRIPTION BASED IT ARRANGEMENTS (SBITA)

The School District leases the right-to-use assets from various third parties. This asset is an IT subscription asset under a SBITA. Payments on the SBITA is a fixed annual amounts. The SBITA term is 3 years and has a discount rate of 3.63 percent. Right-to-use subscription-based IT assets are included in Note D and SBITA obligations are included in Note G.

The annual requirements of principal and interest to amortize the SBITA obligations outstanding as of June 30, 2026 follows:

	Governmental activities	
	Subscription-based IT Arrangements	
Year ended June 30,	Principal	Interest
2027	$ 5,000	$ 373
2028	5,291	190
	$ 10,291	**$ 563**

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

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

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

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

The System's financial statements are available on the ORS website at Michigan.gov/ORSSchools.

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. Depending on the plan option selected (Basic, Member Investment Plan (MIP), Pension Plus, Pension Plus 2), member retirement benefits for DB plan members are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

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 who became a member 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 percent of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50 percent (up to 1 percent 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.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – Pension—Continued

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 service 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.

The amount is 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 percent pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment. For Basic plan members, the contribution is 4 percent. For Member Investment Plan (MIP)-Fixed, MIPGraded, and MIP-Plus members, the contribution is a flat 7 percent.

Option 2: Members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5 percent 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 percent for Basic plan members, 3.9 percent for MIP-Fixed, up to 4.3 percent for MIP-Graded, or up to 6.4 percent for MIP-Plus). The pension formula for any service thereafter would include a 1.25 percent 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 percent pension factor. The pension formula for any service thereafter will include a 1.25 percent pension factor.

Option 4: Members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant, they receive a 4 percent 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 percent at 2 years, 75 percent at 3 years, and 100 percent at 4 years of service. They are 100 percent 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 percent pension factor).

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – Pension—Continued

Pension Reform 2012—Continued
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 percent employer match (up to 3 percent of salary) on employee contributions. New employees hired between September 4, 2012, and February 1, 2018, are automatically enrolled as members in the Pension Plus 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 plan and become a qualified participant in the DC plan; If no election is made, they will remain in the Pension Plus plan. If they elect to opt out of the Pension Plus plan, their participation in the DC plan will be retroactive to their date of hire.

Pension Reform 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 contribution 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, were automatically enrolled as members in the Pension Plus 2 plan as of their date of hire. They had 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.

Regular Retirement
The pension benefit for DB and Pension Plus plan members is based on a member's years of credited service (employment) and final average compensation (FAC). The FAC is calculated based on the member's highest total wages earned during a specific period of consecutive calendar months divided by the service credit accrued during that same time period. For a Member Investment Plan member, who became a member of MPSERS prior to July 1, 2010, the averaging period is 36 consecutive months. For a Pension Plus member, who became a member of the System after June 30, 2010, the averaging period is 60 consecutive months. For a Basic Plan member, this period is the 60 consecutive months yielding the highest total wages. 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.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – Pension—Continued

Post-Retirement Adjustments
A retiree who became a Member Investment Plan member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of 3 percent of the initial pension in the October following twelve months of retirement. Basic Plan members do not receive an annual post-retirement increase, but are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions. Pension Plus members do not receive an annual post-retirement increase.

Plan Status
The Basic, MIP, and Pension Plus plans are closed to new entrants. The Pension Plus 2 plan and the DC plan are still open to new entrants.

Benefits Provided – 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 healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80 percent beginning January 1, 2013; 90 percent for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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 percent contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3 percent 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 percent employee contribution into their 457 account as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stop paying the 3 percent contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Contributions – Pension and OPEB

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

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

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 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.

The schedules below summarize the contribution rates in effect for the fiscal year ended September 30, 2025.

Pension Contribution Rates

Benefit Structure	Member	Employer
Basic	0.0 - 4.0 %	30.11 %
Member Investment Plan	3.0 - 7.0	30.11
Pension Plus Plan	3.0 - 6.4	26.27
Pension Plus 2 Plan	6.2	27.16
Defined Contribution	0.0	20.96

OPEB Contribution Rates

Benefit Structure	Member	Employer
Premium Subsidy	3.0 %	1.25 %
Personal Healthcare Fund	0.0	0.0

The School District's pension contributions for the year ended June 30, 2026 were equal to the required contribution total. Pension contributions were approximately $2,139,000 including Section 147c(1) UAAL rate stabilization.

For the year ended June 30, 2026, the School District and employee defined contribution plan contributions were approximately $42,000 and $107,000 respectively.

The School District's OPEB contributions for the year ended June 30, 2026 were equal to the required contribution total. OPEB contributions were approximately $98,000.

For the year ended June 30, 2026, the School District and employee OPEB defined contribution plan contributions were approximately $28,000 and $26,000, respectively.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
At June 30, 2026, the School District reported a liability of $9,702,025 for its proportionate share of the MPSERS net pension liability and an asset of $3,651,659 for its proportionate share of the MPSERS net OPEB asset. The net pension liability and net OPEB asset were measured as of September 30, 2025, and the total pension and OPEB liabilities used to calculate the net pension liability and OPEB asset were determined by an actuarial valuation rolled forward from September 2024. The School District's proportion of the net pension liability and net OPEB asset was determined by dividing each employer's statutorily required pension and OPEB contributions to the system during the measurement period by the percent of pension and OPEB contributions, respectively, required from all applicable employers during the measurement period. At September 30, 2025 and 2024, the School District's pension proportion was 0.04843 and 0.05180 percent, respectively. At September 30, 2025 and 2024, the School District's OPEB proportion was 0.06007 and 0.05002 percent, respectively.

For the year ended June 30, 2026, the School District recognized pension expense (benefit) of $692,996 and OPEB expense (benefit) of $(1,113,995). At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Pension		OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 375,787	$ 86,415	$ -	$ 2,500,099
Changes of assumptions	348,233	512,775	487,353	38,729
Net difference between projected and actual earnings on plan investments	-	2,318,576	-	513,138
Changes in proportion and differences between School District contributions and proportionate share of contributions	442,026	1,031,201	206,225	73,629
State of Michigan Section 147c(1) UAAL rate stabilization and Section 147c(2) one time Deposit and state aid payments subsequent to the measurement date	-	759,987	-	-
School District contributions subsequent to the measurement date	1,978,581	-	82,666	-
Total	**$ 3,144,627**	**$ 4,708,954**	**$ 776,244**	**$ 3,125,595**

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources—Continued

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions and OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability and the addition to the net OPEB asset, respectively, in the year ended June 30, 2027. The State of Michigan Section 147c(1) UAAL rate stabilization state aid payments subsequent to the measurement date reported as deferred inflows of resources will be recognized as revenue in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in expense as follows:

Year ending June 30,	Pension	OPEB
2027	$ (117,379)	$ (607,467)
2028	(1,275,064)	(607,606)
2029	(1,058,575)	(616,524)
2030	(331,903)	(415,812)
2031	-	(142,554)
Thereafter	-	(42,054)
	$ (2,782,921)	**$ (2,432,017)**

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation date –	September 30, 2024
Actuarial cost method –	Entry age, Normal
Wage inflation rate –	2.75%
Investment rate of return –	6% a year for the MIP and Basic plans 6% a year for the Pension Plus plan 6% a year for the Pension Plus 2 plan 6% a year for OPEB
Projected Salary increases –	2.75-11.55%, including wage inflation at 2.75%
Cost-of-living pension adjustments –	3% annual non-compounded for MIP members
Healthcare cost trend rate –	Pre-65: 7.75% Year 1 graded to 3.5% Year 15 Post-65: 6.50% Year 1 graded to 3.5% Year 15

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Actuarial Assumptions—Continued

Summary of Actuarial Assumptions—Continued

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

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

Opt-Out Assumption

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

Recognition Period

Recognition period for liabilities is the average of the expected remaining service lives of all employees in years. For pension liabilities, the recognition period is 4.4524 years and 6.4654 years for OPEB liabilities. The recognition period for pension and OPEB assets is 5 years.

Survivor Coverage

80 percent of male retirees and 67 percent of female retirees are assumed to have coverages continuing after the retiree's death.

Coverage Election at Retirement

Of those not opting out, 75 percent of male and 60 percent of female future retirees are assumed to elect coverage for one or more dependents.

Experience Study

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension and OPEB liabilities as of September 30, 2025 are based on the results of an actual valuation date of September 30, 2024, and rolled forward using generally accepted actuarial procedures, including the experience study.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Long-Term Expected Return on Plan Assets—Continued

Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2025 are summarized in the following table:

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

*Long term rates of return are net of administrative expenses and 2.4 percent inflation.

Rate of Return

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

Discount Rate

A discount rate of 6 percent was used to measure the total pension liability (6 percent for the Pension Plus plan, 6 percent for the Pension Plus 2 plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6 percent (6 percent for the Pension Plus plan, 6 percent for the Pension Plus 2 plan). A discount rate of 6 percent 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 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension and OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6 percent (6 percent for the Pension Plus plan and 6 percent for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1% Lower* (5% / 5% / 5%)	Discount Rate* (6% / 6% / 6%)	1% Higher* (7% / 7% / 7%)
$ 15,310,330	$ 9,702,025	$ 5,031,024

*Discount rates listed in the following order: Basic and Member Investment Plan (MIP), Pension Plus, and Pension Plus 2.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate
The following presents the School District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6 percent, as well as what the School District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1% Lower (5%)	Discount Rate (6%)	1% Higher (7%)
$ (3,146,135)	$ (3,651,659)	$ (4,094,101)

Sensitivity of the Net OPEB Liability (Asset) to changes in The Healthcare Cost Trend Rate
The following presents the School District's proportionate share of the net OPEB liability (asset) calculated using assumed trend rates, as well as what the School District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher:

1% Lower	Current Healthcare Cost Trend Rate	1% Higher
$ (4,090,064)	$ (3,651,659)	$ (3,191,347)

Pension and OPEB Plans Fiduciary Net Position
Detailed information about the pension and OPEB plans' fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System Comprehensive Annual Financial Report available at Michigan.gov/ORSSchools.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Payable to the Pension and OPEB Plan

At year end, the School District is current on all required pension and OPEB payments. Accruals for July and August deferred payroll and for July and August Section 147c(1) amounts are not considered payables for this purpose.

NOTE J—COMMITMENTS AND CONTINGENCIES

Grant Programs

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

NOTE K—OTHER INFORMATION

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

The School District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2026 or any of the prior three years.

NOTE L—CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2026, the School District implemented GASB Statement 103—*Financial Reporting Model Improvements*. The standard addressed the following areas:

Management's discussion and analysis (MD&A)

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.

NOTE M—ADJUSTMENTS TO BEGINNING FUND BALANCES/NET POSITION

During fiscal year 2026, the School District had a change within the School District's financial reporting for a change from non-major to major. Changes to beginning fund balances are as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Food Service Fund	**Other Governmental Funds**
Fund balances, as previously reported	$ -	$ 1,129,562
Change from nonmajor fund to major fund	495,995	(495,995)
Fund balance, as restated	**$ 495,995**	**$ 633,567**

REQUIRED SUPPLEMENTARY INFORMATION

Holton Public Schools
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
General Fund
For the year ended June 30, 2026

	Budgeted amounts		Variance with original and final budget	Actual	Variance with final budget and actual
	Original	Final			
REVENUES					
Local sources	$ 1,459,525	$ 1,710,285	$ 250,760	$ 1,716,426	$ 6,141
State sources	9,491,217	10,003,166	511,949	9,908,203	(94,963)
Federal sources	612,001	657,363	45,362	648,535	(8,828)
Incoming transfers and other transactions	-	49,000	49,000	111,324	62,324
Total revenues	11,562,743	12,419,814	857,071	12,384,488	(35,326)
EXPENDITURES					
Instruction					
Basic programs	4,952,286	5,017,659	65,373	5,035,904	(18,245)
Added needs	1,341,143	1,696,136	354,993	1,624,932	71,204
Support services					
Pupil	1,324,915	1,121,967	(202,948)	1,110,241	11,726
Instructional staff	394,381	472,360	77,979	460,734	11,626
General administration	386,055	402,331	16,276	401,562	769
School administration	574,813	584,049	9,236	570,010	14,039
Business	235,884	245,681	9,797	258,809	(13,128)
Operations and maintenance	1,190,795	1,265,779	74,984	1,199,545	66,234
Pupil transportation services	812,311	988,983	176,672	986,889	2,094
Central	251,989	254,797	2,808	243,748	11,049
Athletics	338,097	356,773	18,676	347,555	9,218
Community services	45,374	55,251	9,877	55,112	139
Outgoing transfers and other transactions	90,000	124,900	34,900	139,667	(14,767)
Total expenditures	11,938,043	12,586,666	648,623	12,434,708	151,958
Excess (deficiency) of revenues over (under) expenditures	**$ (375,300)**	**$ (166,852)**	**$ 208,448**	(50,220)	**$ 116,632**
Fund balance at beginning of year				2,121,644	
Fund balance at end of year				**$ 2,071,424**	

Holton Public Schools
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
Food Service Fund
For the year ended June 30, 2026

	Budgeted amounts		Variance with original and final budget	Actual	Variance with final budget and actual
	Original	Final			
REVENUES					
Local sources	$ 24,800	$ 47,450	$ 22,650	$ 49,112	$ 1,662
State sources	20,000	30,008	10,008	33,198	3,190
Federal sources	935,000	1,096,000	161,000	1,108,410	12,410
Total revenues	979,800	1,173,458	193,658	1,190,720	17,262
EXPENDITURES					
Support services					
Pupil services	33,426	35,428	2,002	34,847	581
Food Service	939,400	1,142,100	202,700	1,099,889	42,211
Total expenditures	972,826	1,177,528	204,702	1,134,736	42,792
Excess (deficiency) of revenues over (under) expenditures	**$ 6,974**	**$ (4,070)**	**$ (11,044)**	55,984	**$ 60,054**
Fund balance at beginning of year				495,995	
Fund balance at end of year				**$ 551,979**	

Holton Public Schools

REQUIRED SUPPLEMENTARY INFORMATION

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

Michigan Public School Employees Retirement System

Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability (%)	0.04843%	0.05180%	0.05350%	0.05036%	0.04565%	0.04498%	0.04450%	0.04467%	0.04456%	0.04329%
School District's proportionate share of the net pension liability	$ 9,702,025	$ 12,681,295	$ 17,315,664	$ 18,940,195	$ 10,807,132	$ 15,451,593	$ 14,737,215	$ 13,427,517	$ 11,547,797	$ 10,800,029
School District's covered payroll	$ 5,152,570	$ 5,140,872	$ 5,258,915	$ 6,865,720	$ 5,392,541	$ 5,223,496	$ 5,180,614	$ 4,972,184	$ 3,930,346	$ 3,679,677
School District's proportionate share of the net pension liability as a percentage of its covered payroll	188.29%	246.68%	329.26%	275.87%	200.41%	295.81%	284.47%	270.05%	293.81%	293.50%
Plan fiduciary net position as a percentage of the total pension liability	79.44%	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%

Holton Public Schools
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement System
Last 10 Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions*	$ 2,138,591	$ 2,139,117	$ 2,134,527	$ 1,304,322	$ 1,172,991	$ 924,068	$ 908,261	$ 847,614	$ 824,699	$ 708,875	$ 808,711
Contributions in relation to the statutorily required contributions	2,138,591	2,139,117	2,134,527	1,304,322	1,172,991	924,068	908,261	847,614	824,699	708,875	808,711
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 5,427,236	$ 5,095,145	$ 5,147,781	$ 7,345,109	$ 6,369,917	$ 5,175,349	$ 5,211,965	$ 5,021,990	$ 4,840,202	$ 3,981,240	$ 3,653,572
Contributions as a percentage of covered payroll	39.40%	41.98%	41.46%	17.76%	18.41%	17.86%	17.43%	16.88%	17.04%	17.81%	22.13%

*Note: Contributions prior to 2024 do not include section 147c

Holton Public Schools

REQUIRED SUPPLEMENTARY INFORMATION

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

Michigan Public School Employees Retirement System

Last 9 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
School District's proportion of the net OPEB liability (asset) (%)	0.06007%	0.05002%	0.05318%	0.05360%	0.04596%	0.04506%	0.04442%	0.04447%	0.04450%
School District's proportionate share of the net OPEB liability (asset)	$ (3,651,659)	$ (2,153,191)	$ (300,823)	$ 1,135,336	$ 701,449	$ 2,414,109	$ 3,188,364	$ 3,534,696	$ 3,940,843
School District's covered payroll	$ 5,152,570	$ 5,140,872	$ 5,258,915	$ 6,865,720	$ 5,392,541	$ 5,223,496	$ 5,180,614	$ 4,972,184	$ 3,930,346
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-70.87%	-41.88%	-5.72%	16.54%	13.01%	46.22%	61.54%	71.09%	100.27%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	164.94%	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

Note: For years prior to 2017 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Holton Public Schools
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement System
Last 9 Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	$ 97,851	$ 27,393	$ 450,689	$ 564,584	$ 509,921	$ 420,807	$ 413,434	$ 392,235	$ 359,118
Contributions in relation to the statutorily required contributions	97,851	27,393	450,689	564,584	509,921	420,807	413,434	392,235	359,118
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School District's covered payroll	$ 5,427,236	$ 5,095,145	$ 5,147,781	$ 7,345,109	$ 6,369,917	$ 5,175,349	$ 5,211,965	$ 5,021,990	$ 4,840,202
Contributions as a percentage of covered payroll	1.80%	0.54%	8.76%	7.69%	8.01%	8.13%	7.93%	7.81%	7.42%

Note: For years prior to 2018 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

NOTE A—BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund and special revenue funds. Other funds do not have appropriated budgets. All annual appropriations lapse at year end. The School District does not utilize encumbrance accounting.

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

1. 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.
2. Local School District boards approve or disapprove the annual General Fund and special revenue fund budgets by board resolution.
3. Public hearings are conducted to obtain taxpayer comments.
4. Prior to July 1, the budget is legally adopted by Board of Education resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). 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 or special revenue major funds are noted in the required supplementary information section.
5. The Superintendent is authorized to transfer budgeted amounts within major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year.
7. The budget is amended during the year with supplemental appropriations, the last one approved prior to June 30, 2026.

NOTE B—BUDGETARY COMPARISON

Significant variances between original and final budget for General Fund:

	Variance	Explanation
REVENUES		
Local sources	$ 250,760	Budgeted revenues increased due to a 9% increase in taxable property values, the addition of $40,000 in Electric Forest transportation revenue, and higher-than-anticipated transportation collections from Whitehall and Muskegon Area Intermediate School District.
EXPENDITURES		
Instruction—added needs	354,993	Two additional teachers were added for $157,000, including retirement and other payroll costs. An additional paraprofessional staff were added due to higher need students for $45,500 including retirement and other payroll costs.
Support services—pupil	(202,948)	Some retiring or departing employees were replaced with new staff hired at lower salary schedule steps, reducing overall salary and related benefit costs. Additionally, the original budget included an in-house psychologist. Rather than filling the position with an employee, the School District was able to contract the psychological services, resulting in savings of $20,000.
Support services—instructional staff	77,979	The budget was increased to hire a Positive Behavioral Interventions and Supports coach for $69,884. This was a grant funded position for one year.
Support services—pupil transportation services	176,672	Purchased one new bus for $123,000 and three used busses for a total of $42,000 that was not included in the original budget.

Significant variances between final budget and actual for General Fund:

	Variance	Explanation
REVENUES		
Incoming transfers and other transactions	$ 62,324	Actual other transactions exceeded the final budget due to proceeds from a financing agreement of $47,000 and SBITA proceeds of $16,000 that were not included in the original or amended budget.
EXPENDITURES		
Instruction—added needs	71,204	Instruction was underspent by $68,000 due to a teacher leaving mid year and was not replaced for the remainder of the 2025-2026 school year.
Support services—Operations and maintenance	66,234	Operations was underspent by $31,000 due to repairs not being able to be done until after school had ended, such as a sewage pump repair, turf maintenance, well repairs, and certain carpet placements. Additionally, operations was underspent by $35,000 due to underbudgeted supplies and utilities.

NOTE B—BUDGETARY COMPARISON—Continued

Significant variances between original and final budget for Food Service Fund:

	Variance	Explanation
REVENUES		
Local sources	$ 22,650	The budget increase is primarily due to the transfer of athletic concession operations to the Food Service Fund. The amended budget reflects the related concession revenues estimate of $21,000.
Federal sources	161,000	The federal revenue budget was amended to reflect actual amounts received during the year. The increase was due to higher reimbursement rates and student counts than originally anticipated.
EXPENDITURES		
Food Service	202,700	The budget increased by $96,000 for the purchase of a dishwasher. Additionally, the budget increased $22,000 as a result from moving athletic concession operations to the Food Service Fund.

There were no significant variances between final budget and actual for Food Service Fund.

NOTE C—PENSION AND OPEB INFORMATION

Pension Information

Benefit changes – there were no changes of benefit terms in 2025.

Changes of assumptions – there were no changes of benefit assumptions in 2025.

OPEB Information

Benefit changes – there were no changes of benefit terms in 2025.

Changes of assumptions – there were no changes of benefit assumptions in 2025.