



GRANT PUBLIC SCHOOLS

ANNUAL FINANCIAL REPORT
(with required supplementary and additional information)

JUNE 30, 2025

GRANT PUBLIC SCHOOLS

GRANT, MICHIGAN

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Grant Public Schools
Grant, 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 Grant Public Schools, Grant, Michigan as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Grant Public Schools, as of June 30, 2025, 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 Grant 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.

Change in Accounting Principle

As discussed in Note 4 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Grant Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, on pages 4-12 and 50-56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grant Public Schools' basic financial statements. The accompanying combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2025, on our consideration of Grant 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 Grant 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 Grant Public Schools' internal control over financial reporting and compliance.

The logo for UHY LLP, featuring the letters "UHY" in a large, stylized, cursive font, with "LLP" in a smaller, sans-serif font to the right.

Cadillac, Michigan
September 12, 2025

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2025

This section of Grant Public Schools' ("the District") annual report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements consist of the following three components: the government-wide financial statements, fund financial statements, and the notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

A. Government-Wide Financial Statements

The government-wide statements provide short-term and long-term financial information about the District's overall financial status. The district-wide financial statements are compiled using full accrual basis of accounting and more closely represent financial statements presented by business and industry. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, and liabilities. All of the year's revenue and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

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

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

In the government-wide financial statements, the District's activities are all shown in one category titled "Governmental Activities". These activities, including regular and special education, transportation, administration, food services, athletic activities, and community services, are primarily financed with state and federal aids and property taxes.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, rather than the District as a whole. Funds that do not meet the threshold to be classified as major funds are called "non-major" funds. Detailed financial information for non-major funds can be found in the combining and individual fund statements section.

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

Some funds are required by state law and by bond covenants. The District may establish other funds to control and manage money for particular purposes.

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2025

The District maintains the following types of funds:

Governmental Funds – The District's basic services are included in governmental funds, which generally focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information (reconciliation schedules) immediately following the governmental funds statements that explain the relationship (or differences) between these two types of financial statement presentations.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-49 of this report.

Other Information

In addition to the basic financial statements, this report further presents Required Supplementary Information (RSI) that explains and supports the information presented in the financial statements.

C. Summary of Net Position

The following schedule summarizes the net position at fiscal year ended June 30. The prior year has not been restated to include the new GASBS No. 101–*Compensated Absences*:

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets	\$ 8,740,662	\$ 9,541,729
Other Noncurrent Assets	3,917,062	529,114
Capital Assets, net of Accumulated Depreciation	<u>11,450,747</u>	<u>12,312,444</u>
Total Assets	<u>24,108,471</u>	<u>22,383,287</u>
Deferred Outflows of Resources	<u>8,455,260</u>	<u>11,934,387</u>
Liabilities		
Current Liabilities	3,983,243	4,260,703
Non Current Liabilities	<u>23,914,002</u>	<u>31,663,728</u>
Total Liabilities	<u>27,897,245</u>	<u>35,924,431</u>
Deferred Inflows of Resources	<u>13,247,391</u>	<u>10,552,507</u>
Net Position		
Net Investment in Capital Assets	9,819,474	10,140,289
Restricted for Specific Purposes	3,959,132	567,692
Unrestricted - (Deficit)	<u>(22,359,511)</u>	<u>(22,867,245)</u>
Total Net Position - (Deficit)	<u>\$ (8,580,905)</u>	<u>\$ (12,159,264)</u>

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2025

D. Analysis of Financial Position

During the fiscal year ended June 30, 2025, the District's net position increased by \$3,971,230. A few of the more significant factors affecting net position during the year are discussed below:

1. *Depreciation Expense*

The District is required to maintain a record of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation expense is a reduction in net position.

Depreciation expense is recorded on a straight-line basis over the estimated useful lives of the assets. In accordance with GAAP, depreciation expense is calculated based on the original cost of the asset less an estimated salvage value, where applicable. For the fiscal year ended June 30, 2025, \$1,321,884 was recorded for depreciation expense.

2. *Pension and Other Postemployment Benefits Expense*

GASB 68 and 75 now requires the District to account for its payments to the Michigan Public School Employees' Retirement System in a manner that has a significant effect on the Districts' change in net position. Based on various factors, the District may report an increase or a decrease in net position depending on whether the District's proportionate share of the net pension liability and other postemployment benefit asset increases or decreases in any given year.

3. *Capital Outlay Acquisitions*

For the fiscal year ended June 30, 2025, \$460,187 of expenditures were capitalized and recorded as assets of the District. These additions to the District's capital assets will be depreciated over time as explained above.

The net effect of the new capital assets, retired capital assets, and the current year's depreciation is a decrease to capital assets in the amount of \$861,697 for the fiscal year ended June 30, 2025.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2025

E. Results of Operations

The following schedule summarizes the results of operations, on a district-wide basis, for the fiscal year ended June 30. The prior year has not been restated to include the new GASBS No. 101–*Compensated Absences*:

	<u>2025</u>	<u>2024</u>
General Revenues		
Property Taxes	\$ 1,790,450	\$ 1,635,627
Investment Earnings	186,433	175,914
State Sources	12,760,922	13,765,261
Other	<u>156,970</u>	<u>71,345</u>
Total General Revenues	<u>14,894,775</u>	<u>15,648,147</u>
Program Revenues		
Charges for Services	449,085	397,990
Operating Grants	8,909,431	9,500,808
Capital Grants	<u>49,890</u>	<u>526,009</u>
Total Program Revenues	<u>9,408,406</u>	<u>10,424,807</u>
Total Revenues	<u>24,303,181</u>	<u>26,072,954</u>
Expenses		
Instruction	10,272,547	12,108,109
Supporting Services	7,400,022	7,587,959
Food Service Activities	1,211,263	942,570
Community Services	22,564	84,115
Facilities Acquisition, Construction, and Improvements	30,013	26,156
Interest on Long-Term Debt	73,658	91,373
Unallocated Depreciation	<u>1,321,884</u>	<u>1,333,412</u>
Total Expenses	<u>20,331,951</u>	<u>22,173,694</u>
Changes in Net Position	<u>\$ 3,971,230</u>	<u>\$ 3,899,260</u>

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2025

F. Analysis of Significant Revenues and Expenses

Significant revenues and expenditures are discussed in the segments below:

1. Property Taxes

The District levies 18 mills of property taxes for operations on Non-Principal Residence Exemption properties, less the mandatory reductions required by the Headlee Amendment, Article IX, Section 31. According to Michigan law, the taxable levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of the prior year's Consumer's Price Index increase or 5%, whichever is less. At the time property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is half of the property's market value.

For the 2024-2025 fiscal year, the District levied \$1,482,593 in Non-PRE property taxes.

The following table summarizes the general fund Non-PRE property tax levies for operations for the past five years:

Fiscal Year	Non-PRE Tax Levy
2024-2025	\$ 1,482,593
2023-2024	1,333,662
2022-2023	1,190,470
2021-2022	1,079,695
2020-2021	1,047,255

2. State Sources

The majority of the state sources is comprised of the per student foundation allowance. The State of Michigan funds districts based on a blended student enrollment. For the 2024-2025 fiscal year, the District received \$9,608 per student FTE.

3. Student Enrollment

The following schedule summarizes the blended student enrollment for the past five fiscal years:

Fiscal Year	Blended Student FTE
2024-2025	1,439
2023-2024	1,541
2022-2023	1,616
2021-2022	1,620
2020-2021	1,748

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2025

4. Operating Grants

The District funds a significant portion of its operations with categorical sources. For the fiscal year ended June 30, 2025, federal, state, and other grants of this type were \$8,909,431.

G. Financial Analysis of the District's Funds

The financial performance of the District as a whole is also reflected in its governmental funds. The following table shows the change in total fund balances of each of the District's governmental funds:

	2025	2024	Increase (Decrease)
Major Funds			
General Fund	\$ 5,031,323	\$ 4,819,226	\$ 212,097
Nonmajor Funds			
Food Service	310,509	589,143	(278,634)
Community Recreation	31,383	26,220	5,163
School Activity	214,806	216,015	(1,209)
Debt Service	47,730	45,540	2,190
Building and Site	127,925	121,844	6,081
Total Governmental Funds	<u>\$ 5,763,676</u>	<u>\$ 5,817,988</u>	<u>\$ (54,312)</u>

In 2024-2025, the General Fund balance increased primarily due to the decrease of multiple expenditures related to various grants. Of the fund balance of \$5,031,323, \$46,282 is nonspendable for prepaid expenditures, \$1,512,091 is assigned for a budgeted loss in 2025-2026, and the remainder of \$3,472,950 is unassigned.

H. General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to its starting on July 1. Any amendments made to the operating budget must be approved by the Board prior to the close of the fiscal year on June 30.

For the 2024-2025 fiscal year, the District amended the general fund budget at various times. The following schedule shows a comparison of the original general fund budget, the final amended general fund budget and actual totals from operations:

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Total Revenues	\$ 21,236,590	\$ 22,039,767	\$ 21,845,720
<u>EXPENDITURES</u>			
Instruction	\$ 13,203,277	\$ 13,520,549	\$ 13,356,333
Supporting Services	7,564,122	8,053,370	7,825,864
Community Services	165,217	137,219	102,696
Facilities Acquisition, Construction & Improvements	0	128,590	49,476
Debt Service	318,898	309,254	309,254
Total Expenditures	\$ 21,251,514	\$ 22,148,982	\$ 21,643,623

The revenue budget was amended as it became clearer on the amounts the District would receive for state and federal funding, as well as funding from property taxes and local grants. The total revenues variance between final budget and actual was mostly attributable to the District receiving less in federal funding and ISD revenues than budgeted for. The expenditures were amended to account for anticipated spending. The total expenditures variance was \$505,359, which was a result of cautious spending that led to every function under budget.

I. Capital Asset and Debt Administration

1. Capital Assets

At June 30, 2025, the District has \$36,702,352 in a broad range of capital assets, including school buildings and facilities, school buses and other vehicles, and various types of equipment. This represents an increase of \$63,912 over the prior fiscal year. Depreciation expense for the year amounted to \$1,321,884, bringing the accumulated depreciation to \$25,251,605 as of June 30, 2025.

Major capital assets additions and deletions for the 2024-2025 school year include:

- Sensory dome playground equipment at a cost of \$16,319.
- Floor Scrubber at a cost of \$10,008.
- Computers and I-Pads at a cost of \$83,390.
- Lunchroom equipment totaling \$48,810.
- Parking lot light project for \$40,196.
- Playground fencing at a cost of \$9,065.
- 2026 bus at a cost of \$134,584.
- 2024 Ford truck at a cost of \$62,945.
- Outdoor education pavilion totaling \$39,590.
- Baseball pavilion roof at a cost of \$6,190.
- Football storage roof totaling \$9,090.
- Disposed of various computer, networking, and technology equipment and two buses with a historical cost of \$396,275.

As of June 30, 2025, the District has committed to spending \$42,250 on a driveway related to a pavilion project.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2025

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

2. Long-Term Obligations

At June 30, 2025, the District has \$1,595,000 in bonded obligations outstanding. This represents a decrease of \$530,000 from the amount outstanding at the close of the prior fiscal year. Additionally, at June 30, 2025, the estimated liability for compensated absences and other vested benefits is \$516,892, the estimated net pension liability is \$22,762,226.

The District's long-term obligations consisted of the following as of June 30, in the respective years:

Long-Term Obligations

	<u>2025</u>	<u>2024</u>
General Obligation Bonds	\$ 1,595,000	\$ 2,125,000
Compensated Absences, As Restated	465,892	479,173
Other Vested Benefits	51,000	143,100
Net Pension Liability	22,762,226	29,786,701
Total	<u>\$ 24,874,118</u>	<u>\$ 32,533,974</u>

The District's General Obligation Bond rating continues to be favorable. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the District's boundaries. If the District issues "qualified Debt," (i.e. debt backed by the State of Michigan), such obligations are not subject to this limit. The District's outstanding unqualified general obligation debt of \$1.595 million is significantly below the statutorily imposed limit.

We present more detailed information about our long-term liabilities in the notes to the financial statements.

J. Factors Bearing on the District's Future

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

- Many factors are included in the District's financial future. The continued decline in student enrollment. Increase in health care costs. Increase in overall staffing to meet the needs of our student body.
- Currently the District is operating without a passed state budget. When a state budget is not passed on time, school districts face significant financial uncertainty because they rely heavily on state funding to support daily operations, pay staff, and maintain essential programs. Without a finalized budget, districts cannot accurately project revenue, which can delay hiring decisions, stall planned initiatives and even threaten existing services. This uncertainty forces school leaders to create contingency plans, often operating on conservative spending assumptions, which can negatively impact students and staff if

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2025

funding levels end up lower than expected. In extreme cases, the lack of a state budget may result in borrowing or cutting programs to maintain financial stability until funding details are clarified.

- The District's revenue is heavily dependent on State funding and approximately 80 percent of total general fund revenues are from the foundation allowance, including property taxes. Under State law, the District cannot levy additional property tax revenue for general operations. As a result, the District funding is heavily dependent on the State's ability to fund local school operations.
- As revenues continue to decrease while expenses increase, it becomes more difficult to maintain an acceptable fund balance. It is also difficult to set aside funds for anticipated and/or unanticipated capital outlay such as repairs, maintenance, updated technology, and buses. The District has, over the last few years, transferred funds into a building and site fund for some of these needs. The District has been successful in maintaining a healthy fund balance by reducing costs and other cost-cutting practices. The District has attempted to pass a bond and a sinking fund that has failed which would help alleviate the burden of money needed for capital outlay projects. The District will attempt to go for a sinking fund milage again.
- Over the past several years the school board and the District staff have reviewed the needs of the building and asked the community what their needs are for the new school bond proposal. The District will seek a sinking fund for a second attempt to help with future repairs.
- The District will need to maintain a relatively large fund balance for any future repairs and unforeseen expenses that could arise. The District will continue to be fiscally prudent and financially sound to minimize any effects these issues may have on programing and operations.

K. Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact Grant Public Schools, 148 S. Elder Avenue, Grant, MI 49327.

GRANT PUBLIC SCHOOLS

GRANT, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2025

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	772,386
Investments		4,297,724
Accounts Receivable		83,775
Due from Other Governmental Units		3,529,775
Prepaid Expenses		46,282
Inventories		10,720
Total Current Assets		<u>8,740,662</u>

NON CURRENT ASSETS

Net Other Postemployment Benefits Asset	3,917,062
Capital Assets Being Depreciated, Net of Depreciation	<u>11,450,747</u>
Total Non Current Assets	<u>15,367,809</u>

TOTAL ASSETS	<u>24,108,471</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Loss on Refunding	4,208
Deferred Outflows of Resources Related to Pensions	7,292,148
Deferred Outflows of Resources Related to Other Postemployment Benefits	<u>1,158,904</u>

TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,455,260</u>
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LIABILITIES

CURRENT LIABILITIES

Accounts Payable	123,139
Accrued Interest Payable	5,660
Accrued Expenditures	779,759
Salaries Payable	1,028,059
Due to Other Governmental Units	142,764
Unearned Revenue	903,265
Current Portion of Non Current Liabilities	<u>1,000,597</u>
Total Current Liabilities	<u>3,983,243</u>

The notes to the financial statements are an integral part of this statement.

GRANT PUBLIC SCHOOLS

GRANT, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2025

NON CURRENT LIABILITIES

Bonds Payable (Net)	1,635,481
Compensated Absences	465,892
Other Vested Benefits	51,000
Net Pension Liability	22,762,226
Less Current Portion of Non Current Liabilities	(1,000,597)
Total Non Current Liabilities	<u>23,914,002</u>

TOTAL LIABILITIES	<u>27,897,245</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources Related to Pensions	7,958,528
Deferred Inflows of Resources Related to Other Postemployment Benefits	<u>5,288,863</u>

TOTAL DEFERRED INFLOWS OF RESOURCES	<u>13,247,391</u>
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NET POSITION

Net Investment in Capital Assets	9,819,474
Restricted for Debt Service	42,070
Restricted for Net Other Postemployment Benefits Asset	3,917,062
Unrestricted - (Deficit)	<u>(22,359,511)</u>

TOTAL NET POSITION - (DEFICIT)	<u>\$ (8,580,905)</u>
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The notes to the financial statements are an integral part of this statement.

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				GOVERNMENTAL ACTIVITIES
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	CAPITAL GRANTS	
<u>GOVERNMENTAL ACTIVITIES</u>					
Instruction	\$ 10,272,547	\$ 15,762	\$ 5,906,162	\$ 7,254	\$ (4,343,369)
Supporting Services	7,400,022	372,012	2,012,356	42,636	(4,973,018)
Food Service Activities	1,211,263	39,967	914,051	0	(257,245)
Community Services	22,564	21,344	34,561	0	33,341
Facilities Acquisition, Construction, and Improvements	30,013	0	0	0	(30,013)
Interest on Long-Term Debt	73,658	0	42,301	0	(31,357)
Unallocated Depreciation	1,321,884	0	0	0	(1,321,884)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 20,331,951</u>	<u>\$ 449,085</u>	<u>\$ 8,909,431</u>	<u>\$ 49,890</u>	<u>(10,923,545)</u>
<u>GENERAL REVENUES</u>					
Property Taxes - General Purposes					1,482,593
Property Taxes - Debt Service					307,857
Investment Earnings					186,433
State Sources					12,760,922
Other					156,970
Total General Revenues					14,894,775
Change in Net Position					3,971,230
NET POSITION, Beginning of Year (Deficit), As Previously Reported					(12,159,264)
Adjustments to Beginning Net Position					(392,871)
Beginning of Year, As Restated					(12,552,135)
NET POSITION, End of Year (Deficit)					<u>\$ (8,580,905)</u>

The notes to the financial statements are an integral part of this statement.

GRANT PUBLIC SCHOOLS

GRANT, MICHIGAN

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2025

	GENERAL FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 60,775	\$ 711,611	\$ 772,386
Investments	4,296,411	1,313	4,297,724
Accounts Receivable	59,957	23,818	83,775
Due from Other Funds	41,948	14,235	56,183
Due from Other Governmental Units	3,511,238	18,537	3,529,775
Prepaid Expenditures	46,282	0	46,282
Inventories	0	10,720	10,720
TOTAL ASSETS	<u>\$ 8,016,611</u>	<u>\$ 780,234</u>	<u>\$ 8,796,845</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 120,491	\$ 2,648	\$ 123,139
Accrued Expenditures	779,519	240	779,759
Salaries Payable	1,027,435	624	1,028,059
Due to Other Funds	13,146	43,037	56,183
Due to Other Governmental Units	142,764	0	142,764
Unearned Revenue	901,933	1,332	903,265
Total Liabilities	<u>2,985,288</u>	<u>47,881</u>	<u>3,033,169</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventories	0	10,720	10,720
Prepaid Expenditures	46,282	0	46,282
Restricted for:			
Food Service	0	299,789	299,789
Debt Service	0	47,730	47,730
Committed for:			
School Activities	0	214,806	214,806
Capital Projects	0	122,920	122,920
Future Capital Projects	0	5,005	5,005
Assigned for:			
Community Recreation	0	31,383	31,383
Budgeted Use of Fund Balance in 2025/26	1,512,091	0	1,512,091
Unassigned	3,472,950	0	3,472,950
Total Fund Balances	<u>5,031,323</u>	<u>732,353</u>	<u>5,763,676</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,016,611</u>	<u>\$ 780,234</u>	<u>\$ 8,796,845</u>

The notes to the financial statements are an integral part of this statement.

GRANT PUBLIC SCHOOLS

GRANT, MICHIGAN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION

JUNE 30, 2025

Total Governmental Fund Balances \$ 5,763,676

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

Capital assets used in governmental activities are not financial resources and are not
reported in the funds.

The cost of the capital assets is	\$ 36,702,352	
Accumulated depreciation is	<u>(25,251,605)</u>	11,450,747

Other long-term assets are not available to pay for current period expenditures and,
therefore, are deferred in the funds. These assets consist of:

Deferred (Gain) Loss on Refunding	4,208
Bond Discount (Premium)	(40,481)

Deferred outflows and (inflows) of resources related to pensions are applicable to
future periods and, therefore, are not reported in the funds.

Deferred Outflows of Resources - Related to Pensions	7,292,148
Deferred Inflows of Resources - Related to Pensions	(7,958,528)
Deferred Outflows of Resources - Related to Other Postemployment Benefits	1,158,904
Deferred Inflows of Resources - Related to Other Postemployment Benefits	(5,288,863)

Some assets are not current financial resources and therefore are not reported in the
funds.

Net Other Postemployment Benefits Asset	3,917,062
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Long-term liabilities are not due and payable in the current period and are not
reported in the funds.

Bonds Payable	(1,595,000)
Compensated Absences	(465,892)
Other Vested Benefits	(51,000)
Net Pension Liability	(22,762,226)

Accrued interest is not included as a liability in government funds, it is recorded when
paid.

(5,660)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (8,580,905)</u>
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The notes to the financial statements are an integral part of this statement.

GRANT PUBLIC SCHOOLS

GRANT, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	GENERAL FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>			
Local Sources	\$ 2,075,174	\$ 692,736	\$ 2,767,910
State Sources	18,718,165	68,927	18,787,092
Federal Sources	759,255	845,124	1,604,379
Other Transactions	293,126	0	293,126
Total Revenues	21,845,720	1,606,787	23,452,507
<u>EXPENDITURES</u>			
Instruction			
Basic Programs	9,496,618	0	9,496,618
Added Needs	3,810,356	0	3,810,356
Adult/Continuing Education	49,359	0	49,359
Supporting Services			
Pupil	838,020	0	838,020
Instructional Staff	530,003	0	530,003
General Administration	582,427	0	582,427
School Administration	1,396,759	0	1,396,759
Business	333,278	0	333,278
Operation and Maintenance	1,964,535	0	1,964,535
Pupil Transportation Services	979,705	0	979,705
Central Services	698,767	0	698,767
Other Support Services	502,370	333,463	835,833
Food Service	0	1,176,587	1,176,587
Community Services			
Community Recreation	0	2,086	2,086
Activities	22,052	0	22,052
Custody and Care of Children	68,882	0	68,882
Welfare Activities	7,382	0	7,382
Non-Public School Pupils	4,380	0	4,380
Facilities Acquisition, Construction, and Improvements	49,476	44,472	93,948

The notes to the financial statements are an integral part of this statement.

GRANT PUBLIC SCHOOLS

GRANT, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	GENERAL FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Debt Service			
Principal	245,000	285,000	530,000
Interest and Fees	64,254	21,588	85,842
Total Expenditures	21,643,623	1,863,196	23,506,819
Excess (Deficiency) of Revenues Over Expenditures	202,097	(256,409)	(54,312)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	(50,000)	(60,000)	(110,000)
Transfers In	60,000	50,000	110,000
Total Other Financing Sources (Uses)	10,000	(10,000)	0
Net Change in Fund Balance	212,097	(266,409)	(54,312)
<u>FUND BALANCE</u> - Beginning of Year	4,819,226	998,762	5,817,988
<u>FUND BALANCE</u> - End of Year	<u>\$ 5,031,323</u>	<u>\$ 732,353</u>	<u>\$ 5,763,676</u>

The notes to the financial statements are an integral part of this statement.

GRANT PUBLIC SCHOOLS

GRANT, MICHIGAN

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

YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances Total Governmental Funds	\$	(54,312)
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Amounts reported for governmental activities are different because:

Governmental funds report capital outlay as expenditures. In the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation.

Depreciation Expense	(1,321,884)
Capital Outlay	460,187

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

Accrued Interest Payable - Beginning of Year	6,962
Accrued Interest Payable - End of Year	(5,660)

The governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of Bond Premium	12,144
Amortization of Bond Deferred Loss on Refunding	(1,262)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds:

Repayment of Bond Principal	530,000
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Governmental funds report district pension and other postemployment benefits contributions as expenditures. However, in the Statement of Activities, the cost of benefits earned net of employee contributions is reported as an expense:

Changes in Pension Related Items	1,809,062
Changes in Other Postemployment Benefits Related Items	1,579,938

The notes to the financial statements are an integral part of this statement.

GRANT PUBLIC SCHOOLS

GRANT, MICHIGAN

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

YEAR ENDED JUNE 30, 2025

Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to Section 147c pension and other postemployment benefits contributions subsequent to the measurement date.

Change in State Aid Funding for Pension	850,674
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Compensated absences and other vested benefits are reported on the accrual method in the Statement of Activities, and recorded as an expenditure when financial resources are used in the governmental funds:

Compensated Absences - Beginning of Year, As Restated	479,173
Compensated Absences - End of Year	(465,892)
Other Vested Benefits - Beginning of Year	143,100
Other Vested Benefits - End of Year	<u>(51,000)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 3,971,230</u></u>
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The notes to the financial statements are an integral part of this statement.

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Grant Public Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government 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 District's accounting policies are described below.

A. Reporting Entity

The School District ("the District") is located in Kent, Newaygo, and Muskegon Counties with its administrative offices located in Grant, Michigan. The District operates under an elected board of education which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

B. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report the information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The School District does not have any business-type activities or component units.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds.

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

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental fund:

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

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Other non-major funds:

The *Special Revenue Funds* account for revenue sources that are legally restricted, committed, and assigned to expenditures for specific purposes. The District accounts for its food service activities, school activities, and community recreation activities in the special revenue funds.

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

The *Capital Projects Funds* accounts for the acquisition of capital assets or the construction of major capital projects.

During the course of operations the government 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, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

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, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. 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 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 government 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 obligations are reported as other financing sources.

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue resource (within 60 days of year-end). 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). All other revenue items are considered to be measurable and available only when cash is received by the government.

F. Budgetary Information

1. Budgetary Basis of 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 and special revenue funds.

The District's approved budgets were adopted at the function level for the General and Special Revenue Funds. These are the legal enacted levels under the State Uniform Budgeting and Accounting Act and the level of budgetary control adopted by the Board (the level at which expenditures may not legally exceed appropriations).

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

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

- a) In June, the superintendent submits to the school board a proposed operating budget for the fiscal year commencing on July 1.
- b) A public hearing is conducted during June to obtain taxpayer comments.
- c) Prior to July 1, the budget is legally adopted by the School Board resolution pursuant to the Uniform Budgeting and Accounting Act. 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 financial 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.
- d) The superintendent is charged with general supervision of the budgets and shall hold the department heads responsible for performance of their responsibilities.

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

- e) For purposes of meeting emergency needs of the school district, transfer of appropriations may be made by the authorization of the superintendent. Such transfers of appropriations must be approved by the Board of Education at its next regularly scheduled meeting.
- f) During the year the budgets are monitored and amendments to the budget resolution are made when it is deemed necessary.
- g) Budgeted amounts are as originally adopted in June, or as amended by the School Board of Education throughout the year as needed.

2. *Excess of Expenditures Over Appropriations*

Food Service

- a) Food Service Activities expenditures of \$1,176,587 exceeded appropriations by \$2,413.

School Activity

- b) Other Support Services expenditures of \$333,463 exceeded appropriations by \$98,463.

These overages were funded by available fund balance and greater than anticipated revenues.

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

1. *Cash and Cash Equivalents*

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. The District considers all highly liquid investments (including certificates of deposit) to be cash equivalents.

2. *Investments*

Certain investments are valued at fair value as determined by quoted market prices, or by estimated fair values when quoted market prices are not available. 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 District intends to hold the investment until maturity.

State statutes authorize the 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 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 District is also authorized to invest in U.S. District or federal agency obligation repurchase agreements, bankers, acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

Investments in the U.S. Treasury securities and those other securities completely guaranteed by the Treasury as to payment of principal and interest may be purchased in any dollar amount or up to 100 percent of the available reserves.

All investments must mature or be redeemable within two (2) years of the date of purchase. The District's deposits and investments are held separately by several of the District's funds.

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

3. *Inventory and Prepaid Items*

Inventories are valued at cost using the first-in/first-out method. Inventories in the special revenue funds consisting of expendable supplies held for consumption, are recorded as expenditures when consumed rather than when purchased.

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

4. *Capital Assets*

Capital assets, which include property and equipment, are reported in the governmental activities' column in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Buildings and Additions	20-50
Site Improvements	20-50
Buses and Other Vehicles	5-10
Furniture and Other Equipment	5-15

5. *Unearned Revenue*

Unearned revenue arises when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenues is recognized. The District has unearned revenue in the General Fund and Food Service Fund that is related to Federal, State, and local grants/donations, with restrictions on how they can be spent, being received but as of the year-end have not been spent.

6. *Compensated Absences*

The 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.

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

7. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. They are the deferred charge on refunding, pension and other postemployment benefits related items reported in the government-wide *Statement of Net Position*. A deferred charge on refunding results from the difference in the carrying value of refunded obligation and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding obligation. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expenses in the plan year in which they apply. Details can be found in footnote 3-E and 3-F.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. They are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. Details can be found in footnote 3-E and 3-F.

9. Defined Benefit Plans

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

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

10. Net Position Flow Assumption

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

11. Fund Balance Flow Assumption

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

12. Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The board 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.

13. Use of Estimates

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

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H. Revenues and Expenditures/Expenses

1. State Revenue

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the year ended June 30, 2025 the foundation allowance was based on pupil membership based on counts taken in October 2024 and February 2024. For fiscal year ended June 30, 2025, the per pupil foundation allowance was \$9,608 for Grant Public Schools.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead 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 2024 to August 2025. Thus, the unpaid portion at June 30th is reported as due from other governmental units.

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

2. Program Revenues

Amounts reported as program revenue 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, state foundation aid, certain revenue from the intermediate school district and other unrestricted items are not included as program revenue but instead as *general revenues*.

3. Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. Property taxes are assessed as of January 1, and due July 1. The levy becomes delinquent as of February 14 for all taxpayers. After these dates, unpaid taxes are subject to penalties and interest.

For the year ended June 30, 2025, the District levied the following amounts per \$1,000 of taxable valuation:

Fund	Mills
General Fund - Non-Principal Residence Exemption (PRE)	18.0000
General Fund - Commercial Personal Property	6.0000
Debt Service Fund - PRE, Non-PRE, and Commercial Personal Property	0.8800

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NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Violations of Legal or Contractual Provisions

Note I.F.2, on the Excess of Expenditures Over Appropriations, describes a budgetary violation that occurred for the year ended June 30, 2025.

NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of June 30, 2025 the District had deposits and investments subject to the following risks:

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2025, the District's bank balance was \$1,392,350 and \$1,098,917 of that amount was exposed to custodial credit risk because it was uninsured and uncollateralized. As of June 30, 2025, deposits of \$772,186 and \$200 of petty cash are reported on the financial statements as cash and cash equivalents.

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

	Fair Value	Weighted Average Maturity (Years)
MILAF External Investment Pool - CMC	\$ 4,675	N/A
MILAF External Investment Pool - Max	4,293,049	N/A
	<u>\$ 4,297,724</u>	
Portfolio Weighted Average Maturity		<u>N/A</u>

Credit Risk. State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSOs). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

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

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	Fair Value	Standard & Poor's Rating
MILAF External Investment Pool - CMC	\$ 4,675	AAAm
MILAF External Investment Pool - Max	4,293,049	AAAm
	<u>\$ 4,297,724</u>	

Foreign Currency Risk. The District is not authorized to invest in investments which have this type of risk; therefore, it is not addressed in the investment policy.

Custodial Credit Risk –Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business.

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

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

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

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

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

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

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	Amortized Cost
MILAF External Investment Pool - CMC	\$ 4,675
MILAF External Investment Pool - Max	4,293,049
	<u>\$ 4,297,724</u>

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

The following summarizes the categorization of these amounts as of June 30, 2025:

	Primary Government
Cash and Cash Equivalents	\$ 772,386
Investments	4,297,724
	<u>\$ 5,070,110</u>

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor are as follows:

	General	Nonmajor Funds	Total
Receivables			
Accounts	\$ 59,957	\$ 23,818	\$ 83,775
Due from Other Governments	3,511,238	18,537	3,529,775
Total Receivables	<u>\$ 3,571,195</u>	<u>\$ 42,355</u>	<u>\$ 3,613,550</u>

Amounts due from other governments include amounts due from federal, state, and local sources for various projects and programs.

C. Capital Assets

Capital assets activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets Being Depreciated				
Buildings and Additions	\$ 26,145,282	\$ 54,870	\$ 0	\$ 26,200,152
Site Improvements	5,222,645	49,261	0	5,271,906
Machinery and Equipment	3,123,273	158,527	276,275	3,005,525
Transportation Equipment	2,147,240	197,529	120,000	2,224,769
Subtotal	<u>36,638,440</u>	<u>460,187</u>	<u>396,275</u>	<u>36,702,352</u>

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	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Less Accumulated Depreciation for:				
Buildings and Additions	17,257,557	575,158	0	17,832,715
Site Improvements	3,695,565	262,541	0	3,958,106
Machinery and Equipment	1,652,632	345,207	276,275	1,721,564
Transportation Equipment	1,720,242	138,978	120,000	1,739,220
Total Accumulated Depreciation	24,325,996	1,321,884	396,275	25,251,605
Total Capital Assets Being Depreciated, Net	\$ 12,312,444	\$ (861,697)	\$ 0	\$ 11,450,747

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities	
Unallocated	<u>\$ 1,321,884</u>

D. Retirement and Postemployment Benefits

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

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

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

Benefits Provided - Overall

Introduction

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

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

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Benefits Provided - Pension

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Retirement benefits for DB plan members are determined by final average compensation and years of service. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

Pension Reform 2010

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

Pension Reform 2012

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

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

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

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

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

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

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

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

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

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

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

Pension Reform of 2017

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

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New employees hired between February 1, 2018 and June 30, 2024, are automatically enrolled as members in the Pension Plus 2 plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to IRS, 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 IRS, 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.

Benefits Provided – Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

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Regular Retirement (no reduction factor for age)

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

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

Member Contributions

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

Employer Contributions

Reporting units are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of members and retiree other post-employment benefits (OPEB). Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The 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, 2024, were determined as of the September 30, 2021, actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2021, are amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

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

	Pension	Other Postemployment Benefit
October 1, 2023- September 30, 2024	13.90% - 23.03%	7.06% - 8.31%
October 1, 2024- September 30, 2025	20.96% - 30.11%	0.00% - 1.25%

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The District's pension contributions for the year ended June 30, 2025 were equal to the required contribution total. Total pension contributions were approximately \$3,646,000. Of the total pension contributions, approximately \$3,532,000 was contributed to fund the Defined Benefit Plan and approximately \$114,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2025 were equal to the required contribution total. OPEB benefits were approximately \$297,000. Of the total OPEB contributions, approximately \$219,000 was contributed to fund the Defined Benefit Plan and approximately \$78,000 was contributed to fund the Defined Contribution Plan.

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

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

Pension Liabilities

At June 30, 2025, the District reported a liability of \$22,762,226 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2023 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-University Employers Net Pension Liability

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Total Pension Liability	\$ 95,765,499,515	\$ 94,947,828,557
Plan Fiduciary Net Position	(71,283,482,728)	(62,581,762,238)
Net Pension Liability	<u>\$ 24,482,016,787</u>	<u>\$ 32,366,066,319</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.44%	65.91%
Net Pension Liability as a Percentage of Covered Payroll	227.56%	320.51%

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

For the year ended June 30, 2025, the District recognized total pension expense of \$1,708,799.

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At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 617,555	\$ 247,315
Changes of assumptions	2,373,097	1,667,751
Net difference between projected and actual earnings on pension plan investments	0	4,343,998
Changes in proportion and differences between District contributions and proportionate share of contributions	899,224	714,008
Section 147c revenue related to District Pension contributions subsequent to the measurement date	0	985,456
District contributions subsequent to the measurement date	3,402,272	0
Total	<u><u>\$ 7,292,148</u></u>	<u><u>\$ 7,958,528</u></u>

\$3,402,272 reported as deferred outflows of resources and \$985,456 reported as deferred inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a net reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources (+) and deferred inflows of resources (-) related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ (846,634)
2027	306,650
2028	(1,438,764)
2029	(1,104,448)
	<u><u>\$ (3,083,196)</u></u>

F. OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Liabilities (Assets)

At June 30, 2025, the District reported an liability (asset) of \$3,917,062 for its proportionate share of the net OPEB liability (asset). The net OPEB asset was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2023 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability (asset) was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

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MPSERS (Plan) Non-University Employers Net OPEB Liability

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Total OPEB Liability	\$ 9,991,545,923	\$ 11,223,648,949
Plan Fiduciary Net Position	(14,295,943,589)	(11,789,347,341)
OPEB Liability/(Asset)	<u>\$ (4,304,397,666)</u>	<u>\$ (565,698,392)</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability/(Asset)	143.08%	105.04%
OPEB Liability/(Asset) as a Percentage of Covered Payroll	-40.01%	-5.60%

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

For the year ended June 30, 2025, the District recognized a total OPEB benefit of \$1,429,660.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 4,150,890
Changes of assumptions	855,543	98,338
Net difference between projected and actual earnings on OPEB plan investments	0	741,545
Changes in proportion and differences between District contributions and proportionate share of contributions	228,111	298,090
District contributions subsequent to the measurement date	<u>75,250</u>	<u>0</u>
Total	<u>\$ 1,158,904</u>	<u>\$ 5,288,863</u>

\$75,250 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the subsequent fiscal. Other amounts reported as deferred outflows of resources (+) and deferred inflows of resources (-) related to OPEB will be recognized in OPEB expense as follows:

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<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ (1,382,301)
2027	(869,638)
2028	(798,331)
2029	(696,317)
2030	(381,986)
Thereafter	(76,636)
	<u>\$ (4,205,209)</u>

G. Actuarial Assumptions

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

Investment rate of return for OPEB – 6.00% a year, compounded annually net of investment and administrative expenses.

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

Inflation – 3.0%

Mortality assumptions –

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

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

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

Experience study - Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2023 valuation.

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

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

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Healthcare cost trend rate for other postemployment benefit – Pre 65, 7.25% for year one and graded to 3.5% in year fifteen. Post 65, 6.50% for year one and graded to 3.5% in year fifteen.

Additional assumptions for other postemployment benefit only – Applies to individuals hired before September 4, 2012:

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

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

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

The target asset allocation at September 30, 2024 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic Equity Pools	25.00%	5.30%
Private Equity Pools	16.00%	9.00%
International Equity Pools	15.00%	6.50%
Fixed Income Pools	13.00%	2.20%
Real Estate & Infrastructure Pools	10.00%	7.10%
Absolute Return Pools	9.00%	5.20%
Real Return/Opportunistic Pools	10.00%	6.90%
Short-Term Investment Pools	2.00%	1.40%
	100%	

*Long-term rate of return are net of administrative expenses and 2.3% inflation.

Rate of return

For fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 15.47% and 15.45% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Discount Rate

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

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

OPEB Discount Rate

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

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

The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 6.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

PENSION			
1% Decrease	Discount Rate	1% Increase	
\$ 33,369,668	\$ 22,762,226	\$ 13,929,490	

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

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

OPEB			
1% Decrease	Discount Rate	1% Increase	
\$ (3,027,138)	\$ (3,917,062)	\$ (4,686,496)	

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the District's proportionate share of the net other postemployment benefit liability (asset) calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net other postemployment benefit liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

OPEB		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
\$ (4,686,504)	\$ (3,917,062)	\$ (3,091,840)

H. Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2024 Annual Comprehensive Financial Report.

I. Payables to the Pension and OPEB Plan

As of June 30, 2025, the District is current on all required pension and other postemployment plan payments. As of June 30, 2025, the District reported payables in the amount of \$500,729 to the pension and OPEB plan. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due and funded from state revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

J. Risk Management

The District is exposed to various risks of loss related to property loss, torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' (workers compensation) as well as medical benefits provided to employees.

The District participates in a distinct pool of educational institutions within the State of Michigan for various risks of loss, including general liability, property and casualty, employee health and accident insurance, and workers' disability compensation. The pool is considered a public entity risk pool. The District pays annual premiums to each pool 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 District has not been informed of any special assessment to make up the deficiency.

The District also carries commercial insurance for various risks of loss such as student accident insurance.

K. Long-Term Obligations

The District issues general obligation bonds to provide funds for the acquisition, construction, and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

The following is a summary of the long-term obligation transactions for the School District for the year ended June 30, 2025:

	OTHER VESTED BENEFITS		COMPENSATED ABSENCES*		GENERAL OBLIGATION BONDS		TOTAL
Balance, July 1, 2024, As Restated	\$	143,100	\$	479,173	\$	2,125,000	\$ 2,747,273
Additions		0		0		0	0
Deletions		(92,100)		(13,281)		(530,000)	(635,381)
Balance, June 30, 2025		51,000		465,892		1,595,000	2,111,892
Less current portion		(20,000)		(440,597)		(540,000)	(1,000,597)
Total due after one year	\$	31,000	\$	25,295	\$	1,055,000	\$ 1,111,295

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

Long-Term Obligations at June 30, 2025, is comprised of the following:

General Obligation Bonds:

2013 Energy Conservation Improvement Bonds due in annual installments of \$85,000 to \$105,000 through May 1, 2029, with interest at 6.00% to 7.15%, which is reduced by a federal subsidy of 3.619%. \$ 380,000

2021 Refunding Bonds due in annual installments of \$290,000 to \$300,000 through November 1, 2028, with interest at 1.25% to 2.75%. 885,000

2010 School Building and Site Bonds due in annual installments of \$165,000 through May 1, 2027, with interest at 6.70%, which is reduced by a federal subsidy of 5.7%. 330,000

Compensated Absences and Other Vested Benefits 516,892

Net Pension Liability 22,762,226

Total Long-Term Obligations \$ 24,874,118

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

The annual requirements to amortize all long-term obligations outstanding as of June 30, 2025, including interest payments of \$138,802 are as follows:

YEAR ENDING JUNE 30,	General Obligation Bonds		Total
	Principal	Interest	
2026	\$ 540,000	\$ 64,702	\$ 604,702
2027	550,000	43,984	593,984
2028	400,000	22,608	422,608
2029	105,000	7,508	112,508
	<u>\$ 1,595,000</u>	<u>\$ 138,802</u>	<u>1,733,802</u>
Compensated Absences and Other Vested Benefits			516,892
Net Pension Liability			<u>22,762,226</u>
			<u>\$ 25,012,920</u>

Interest expense for the year ended June 30, 2025 was approximately \$74,000.

The annual requirements to amortize the compensated absences, other vested benefits, and net pension liability is uncertain because it is unknown when the payments will be made. These benefits will be paid by the fund in which the employee worked, including the general fund and other governmental funds.

L. Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 2025, were:

Receivable Fund	Payable Fund	Amount
General Fund	Food Service Fund	\$ 6,573
General Fund	Student Activity Fund	35,375
Food Service Fund	General Fund	6,346
Student Activity Fund	General Fund	6,800
Student Activity Fund	Food Service Fund	<u>1,089</u>
		<u>\$ 56,183</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances outstanding at June 30, 2025 are expected to be repaid within one year.

GRANT PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

M. Interfund Transfers

Individual fund transfers at June 30, 2025, were:

<u>Fund Transferred To</u>	<u>Funds Transferred From</u>	<u>Amount</u>
General Fund	Food Service Fund	\$ 60,000
Capital Projects Fund	General Fund	50,000
		<u>\$ 110,000</u>

Transfers are used to (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

N. GASB Statement No. 87 – Leases

It has been determined that the District has leases as defined by GASB Statement No. 87. However, the total of these leases has been determined they are not significant enough to warrant disclosure.

O. GASB Statement No. 96 – Subscription Based Information Technology Arrangements (SBITAs)

It has been determined that the District has SBITAs as defined by GASB Statement No. 96. However, the total of these SBITAs has been determined they are not significant enough to warrant disclosure.

P. Other Information

1. Contingencies

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

2. Commitments

As of June 30, 2025 the District approved \$42,250 for driveway improvements.

3. Single Audit

Current federal guidelines require entities with federal expenditures exceeding \$750,000 to have a “single audit” of federally funded programs. This audit is being performed and the reports based thereon will be issued under a separate cover.

GRANT PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 –CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*.

Summary: This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

NOTE 5 - ADJUSTMENTS TO BEGINNING FUND BALANCES/NET POSITION

During fiscal year 2025, changes to beginning fund balance/net position, are as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances Governmental Activities
Net position, as previously reported	\$ (12,159,264)
Change in accounting principle (GASB 101)	(392,871)
Net position, as restated	\$ (12,552,135)

NOTE 6 – UPCOMING ACCOUNTING PRONOUNCEMENTS

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

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

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

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

GRANT PUBLIC SCHOOLSGRANT, MICHIGANREQUIRED SUPPLEMENTARY INFORMATIONBUDGETARY COMPARISON SCHEDULEGENERAL FUNDYEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<u>REVENUES</u>				
Local Sources	\$ 1,770,441	\$ 2,056,158	\$ 2,075,174	\$ 19,016
State Sources	18,390,814	18,652,429	18,718,165	65,736
Federal Sources	883,001	947,303	759,255	(188,048)
Other Transactions	192,334	383,877	293,126	(90,751)
Total Revenues	21,236,590	22,039,767	21,845,720	(194,047)
<u>EXPENDITURES</u>				
Instruction				
Basic Programs	9,152,979	9,529,819	9,496,618	(33,201)
Added Needs	3,971,328	3,928,257	3,810,356	(117,901)
Adult/Continuing Education	78,970	62,473	49,359	(13,114)
Supporting Services				
Pupil	725,118	838,732	838,020	(712)
Instructional Staff	598,628	618,974	530,003	(88,971)
General Administration	646,066	606,301	582,427	(23,874)
School Administration	1,121,826	1,420,139	1,396,759	(23,380)
Business	339,825	367,975	333,278	(34,697)
Operation and Maintenance	1,888,334	1,965,513	1,964,535	(978)
Pupil Transportation Services	1,050,300	993,105	979,705	(13,400)
Central Services	728,530	733,892	698,767	(35,125)
Other	465,495	508,739	502,370	(6,369)
Community Services				
Activities	26,643	37,049	22,052	(14,997)
Custody and Care of Children	123,699	86,973	68,882	(18,091)
Welfare Activities	14,875	7,517	7,382	(135)
Non-Public School Pupils	0	5,680	4,380	(1,300)
Facilities Acquisition, Construction & Improvements				
Site Improvements Services	0	128,590	49,476	(79,114)
Debt Service	318,898	309,254	309,254	0
Total Expenditures	21,251,514	22,148,982	21,643,623	(505,359)
Excess (Deficiency) of Revenues Over Expenditures	(14,924)	(109,215)	202,097	311,312
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers (Out)	(50,000)	(55,000)	(50,000)	5,000
Transfers In	40,000	60,000	60,000	0
Total Other Financing Sources (Uses)	(10,000)	5,000	10,000	5,000
Net Change in Fund Balance	(24,924)	(104,215)	212,097	316,312
<u>FUND BALANCE</u> - Beginning of Year	4,481,656	4,820,430	4,819,226	(1,204)
<u>FUND BALANCE</u> - End of Year	\$ 4,456,732	\$ 4,716,215	\$ 5,031,323	\$ 315,108

GRANT PUBLIC SCHOOLS
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REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF 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 PLAN YEAR)
JUNE 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of net pension liability (%)	0.09297529%	0.09203065%	0.08812691%	0.093998038%	0.09633943%	0.09357658%	0.09449382%	0.09853754%	0.1013282%	0.100164%
District's proportionate share of net pension liability	\$ 22,762,226	\$ 29,786,701	\$ 33,143,402	\$ 22,250,243	\$ 33,093,642	\$ 30,989,417	\$ 28,406,548	\$ 25,535,266	\$ 25,280,559	\$ 24,465,084
District's covered payroll	9,569,048	9,326,343	8,543,090	8,197,396	8,513,433	8,229,626	8,067,506	7,791,965	8,263,122	8,648,488
District's proportionate share of net pension liability as a percentage of its covered payroll	237.87%	319.38%	387.96%	271.43%	388.72%	376.56%	352.11%	327.71%	305.94%	282.88%
Plan fiduciary net position as a percentage of total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

GRANT PUBLIC SCHOOLS
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REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)
JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	\$ 3,531,782	\$ 3,923,155	\$ 4,283,037	\$ 3,064,811	\$ 2,830,226	\$ 2,656,396	\$ 2,491,279	\$ 2,374,064	\$ 2,324,223	\$ 2,295,675
Contributions in relation to statutorily required contributions	3,531,782	3,923,155	4,283,037	3,064,811	2,830,226	2,656,396	2,491,279	2,374,064	2,324,223	2,295,675
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 9,524,120	\$ 9,302,241	\$ 9,649,152	\$ 8,783,069	\$ 8,082,988	\$ 8,536,782	\$ 8,240,523	\$ 7,701,779	\$ 8,166,883	\$ 8,221,223
Contributions as a percentage of covered payroll	37.08%	42.17%	44.39%	34.89%	35.01%	31.12%	30.23%	30.82%	28.46%	27.92%

GRANT PUBLIC SCHOOLS
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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY/(ASSET)

MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH PLAN YEAR)

JUNE 30, 2025

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of net OPEB liability/(asset) (%)			0.09100140%	0.093533292%	0.08787471%	0.09092104%	0.09615099%	0.09429323%	0.09173791%	0.09853337%
District's proportionate share of net OPEB liability/(asset)		\$ (3,917,062)	\$ (529,114)	\$ 1,861,241	\$ 1,387,799	\$ 5,151,065	\$ 6,768,130	\$ 7,292,202	\$ 8,725,594	
District's covered payroll		9,569,048	9,326,343	8,543,090	8,197,396	8,513,433	8,229,626	8,067,606	7,791,965	
District's proportionate share of net OPEB liability/(asset) as a percentage of its covered payroll		-40.93%	-5.67%	21.79%	16.93%	60.51%	82.24%	90.39%	111.98%	
Plan fiduciary net position as a percentage of total OPEB liability/(asset)		143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%	

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REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OTHER POSTEMPLOYMENT CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)
JUNE 30, 2025

	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions			\$ 218,830	\$ 742,164	\$ 737,809	\$ 681,144	\$ 655,530	\$ 667,029	\$ 631,145	\$ 555,282
Contributions in relation to statutorily required contributions			218,830	742,164	737,809	681,144	655,530	667,029	631,145	555,282
Contribution deficiency (excess)			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll			\$ 9,524,120	\$ 9,302,241	\$ 9,649,152	\$ 8,783,069	\$ 8,082,988	\$ 8,536,782	\$ 8,240,523	\$ 7,701,779
Contributions as a percentage of covered payroll			2.30%	7.98%	7.65%	7.76%	8.11%	7.81%	7.66%	7.21%

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR YEAR ENDED JUNE 30, 2025

Pension Information

Changes of Benefit Terms - There were no changes of benefit terms for the plan year ended September 30, 2024.

Changes of Assumptions – The assumption changes for the plan year ended September 30, 2024 were:

- 2023 - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.80 percentage points.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

OPEB Information

Changes of Benefit Terms - There were no changes of benefit terms for the plan year ended September 30, 2024.

Changes of Assumptions – The assumption changes for the plan year ended September 30, 2024 were:

- 2024 - The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage point for members over 65.
- 2023 - The health care cost trend rate used in the September 30, 2022 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.
- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR YEAR ENDED JUNE 30, 2025

- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points and actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.8 billion in 2020.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

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COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUND TYPES

JUNE 30, 2025

ASSETS

	SPECIAL REVENUE FUNDS			DEBT		CAPITAL PROJECTS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	FOOD SERVICE	COMMUNITY RECREATION	SCHOOL ACTIVITY	SERVICE FUND		BUILDING AND SITE		
Cash and Cash Equivalents	\$ 285,544	\$ 31,383	\$ 220,342	\$ 46,417	\$	\$ 127,925	\$	711,611
Investments	0	0	0	1,313		0		1,313
Accounts Receivable	0	0	23,818	0		0		23,818
Due from Other Funds	6,346	0	7,889	0		0		14,235
Due from Other Governmental Units	18,537	0	0	0		0		18,537
Inventories	10,720	0	0	0		0		10,720
TOTAL ASSETS	\$ 321,147	\$ 31,383	\$ 252,049	\$ 47,730	\$	\$ 127,925	\$	780,234

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 780	\$ 0	\$ 1,868	\$ 0	\$ 0	\$ 0	\$ 2,648
Due to Other Funds	7,662	0	35,375	0	0	0	43,037
Accrued Expenditures	240	0	0	0	0	0	240
Salaries Payable	624	0	0	0	0	0	624
Unearned Revenue	1,332	0	0	0	0	0	1,332
Total Liabilities	10,638	0	37,243	0	0	0	47,881

FUND BALANCES

Nonspendable, Inventories	10,720	0	0	0	0	0	10,720
Restricted for Food Service	299,789	0	0	0	0	0	299,789
Restricted for Debt Service	0	0	0	47,730	0	0	47,730
Committed for School Activities	0	0	214,806	0	0	0	214,806
Committed for Capital Projects	0	0	0	0	122,920	122,920	122,920
Committed for Future Capital Projects	0	0	0	0	5,005	5,005	5,005
Assigned for Community Recreation	0	31,383	0	0	0	0	31,383
Total Fund Balances	310,509	31,383	214,806	47,730	127,925	127,925	732,353
TOTAL LIABILITIES FUND BALANCE	\$ 321,147	\$ 31,383	\$ 252,049	\$ 47,730	\$	\$ 127,925	\$ 780,234

GRANT PUBLIC SCHOOLS
GRANT, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	FOOD SERVICE	COMMUNITY RECREATION	SCHOOL ACTIVITY		BUILDING AND SITE		
<u>REVENUES</u>							
Local Sources	\$ 43,902	\$ 7,249	\$ 332,254	\$ 308,778	\$ 553	\$	692,736
State Sources	68,927	0	0	0	0		68,927
Federal Sources	845,124	0	0	0	0		845,124
Total Revenues	957,953	7,249	332,254	308,778	553		1,606,787
<u>EXPENDITURES</u>							
Food Service Activities	1,176,587	0	0	0	0		1,176,587
Other Support Services	0	0	333,463	0	0		333,463
Community Recreation	0	2,086	0	0	0		2,086
Facilities Acquisition, Construction, and Improvements	0	0	0	0	44,472		44,472
Debt Service							
Principal	0	0	0	285,000	0		285,000
Interest and Fees	0	0	0	21,588	0		21,588
Total Expenditures	1,176,587	2,086	333,463	306,588	44,472		1,863,196
Excess (Deficiency) of Revenues Over Expenditures	(218,634)	5,163	(1,209)	2,190	(43,919)		(256,409)
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers (Out)	(60,000)	0	0	0	0		(60,000)
Transfers In	0	0	0	0	50,000		50,000
Total Other Financing Sources (Uses)	(60,000)	0	0	0	50,000		(10,000)
Net Change in Fund Balance	(278,634)	5,163	(1,209)	2,190	6,081		(266,409)
<u>FUND BALANCE - Beginning of Year</u>	589,143	26,220	216,015	45,540	121,844		998,762
<u>FUND BALANCE - End of Year</u>	\$ 310,509	\$ 31,383	\$ 214,806	\$ 47,730	\$ 127,925	\$	732,353

