SPRING LAKE PUBLIC SCHOOLS

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

YEAR ENDED JUNE 30, 2025

Maner Costerisan

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Maner Costerisan

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Spring Lake Public Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spring Lake Public Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Spring Lake Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Spring Lake 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 Spring Lake 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 13 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Spring Lake Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Spring Lake Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2025 on our consideration of Spring Lake 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 Spring Lake 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 Spring Lake Public Schools' internal control over financial reporting and compliance.

Maner Costerisan PC

October 22, 2025

SPRING LAKE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

District-wide Financial Statements

The first two statements are District-wide financial statements that provide short-term and long-term financial information about the District's overall financial status. These statements are required by generally accepted accounting principles (GAAP) as described in the Government Accounting Standards Board (GASB) Statement No. 34. The statements are compiled using the full accrual basis of accounting and more closely represent financial statements presented by business and industry. All of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, both short- and long-term, are reported. As such, these statements include capital assets, net of related depreciation, as well as the long-term obligations of the District resulting in total net position.

Over time, increases or decreases in the District's net position is one indicator of whether its financial position is improving or deteriorating. To assess the District's overall financial health, one should consider additional factors which may include the State's and/or region's economic condition, changes in the District's property tax base, and age and condition of its capital assets.

Fund Financial Statements

For the most part, the fund financial statements are comparable to financial statements for the previous fiscal year. The fund level statements are reported on a modified accrual basis in that only those assets that are deemed "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The formats of the fund statements comply with requirements of the Michigan Department of Education's "Accounting Manual". In the state of Michigan, school districts' major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in various other funds categorized as Special Revenue, Debt Service, and Capital Projects Funds.

In the fund financial statements, capital assets purchased are considered expenditures in the year of acquisition with no asset being reported. The issuance of debt is treated as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. The obligations for future years' debt service are not recorded in the fund financial statements.

Summary of Net Position

The following schedule summarizes the net position for the fiscal years ended June 30, 2025 and 2024:

	June 30, 2025	June 30, 2024*
ASSETS		
Current and other assets	$ 46,029,815	$ 37,900,934
Net other postemployment benefits asset	6,928,777	886,892
Capital assets	87,772,972	71,885,092
TOTAL ASSETS	140,731,564	110,672,918
DEFERRED OUTFLOWS OF RESOURCES	14,104,659	18,666,345
LIABILITIES		
Long-term liabilities outstanding	90,609,033	70,441,487
Net pension liability	38,981,144	51,395,786
Other liabilities	8,346,164	6,185,210
TOTAL LIABILITIES	137,936,341	128,022,483
DEFERRED INFLOWS OF RESOURCES	22,191,128	15,751,678
NET POSITION		
Net investment in capital assets	29,057,246	25,269,980
Restricted for memorial trust	-	16,646
Restricted for net other postemployment benefits	6,928,777	886,892
Unrestricted	(41,277,269)	(40,608,416)
TOTAL NET POSITION	$ (5,291,246)	$ (14,434,898)

*The 2024 numbers have not been updated for the adoption of GASB 101

Analysis of Financial Position

During the fiscal year ended June 30, 2025, the District's net position improved by $10,158,397. A few of the more significant factors affecting net position during the year are discussed below:

- Cash Equivalents, Deposits, and Investments

  At June 30, 2025 the District's cash equivalents, deposits, and investments amounted to $40,623,594. This represented an increase of $8,175,557 from the previous year, primarily as a result of the Series II bond sale proceeds.

Analysis of Financial Position (continued)

- Capital Outlay Acquisitions

  For the fiscal year ended June 30, 2025, $18,818,429 of expenditures were capitalized and recorded as assets of the District. Of the $18,818,429 expenditures capitalized during the current year, $16,553,340 was still in progress as of current year end. These additions to the District's capital assets will be depreciated over time, as explained below.

  The net effect of the new capital assets, assets disposed of during the fiscal year, and the current year's depreciation is a net increase to capital assets in the amount of $15,887,880 for the fiscal year ended June 30, 2025.

- Depreciation Expense

  GASB 34 requires school districts to maintain records of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation expense is a reduction in the net position.

- Bonded Debt

  For the fiscal year ended June 30, 2025 the District's bonded debt increased by $19,086,738 as a result of bonds issued in the current year, offset by current year repayments on previously issued bonded debt and current year amortization of premiums on previously issued bonds. At fiscal year-end, approximately $88.3 million of principal was outstanding with $5.9 million due within one year.

- Accumulated Compensated Absences and Termination Benefits

  At June 30, 2025, the District reported a liability for compensated absences and termination benefits of approximately $2,262,000. With the current year adoption of GASB 101, the liability estimates leave time that is more likely than not to be used as time off or settled during or upon separation from the District.

Results of Operations

For the fiscal years ended June 30, 2025 and 2024, the results of operations, on a District-wide basis, were:

	Fiscal Year Ended June 30, 2025		Fiscal Year Ended 6/30/2024*	
	Amount	%	Amount	%
REVENUES				
General revenues				
Property taxes	$ 11,513,916	23.09%	$ 10,634,968	20.89%
State sources, unrestricted	18,099,635	36.29%	18,544,940	36.42%
Investment earnings	1,047,396	2.10%	1,371,141	2.69%
Other	345,130	0.69%	346,845	0.68%
Total general revenues	31,006,077	62.17%	30,897,894	60.68%
Program revenues				
Charges for services	2,017,117	4.04%	1,955,848	3.84%
Operating grants and contributions	16,848,974	33.78%	18,066,320	35.48%
TOAL REVENUES	49,872,168	100.00%	50,920,062	100.00%
EXPENSES				
Instruction	20,711,841	52.15%	22,827,406	55.45%
Support services	13,232,098	33.32%	12,724,695	30.91%
Community services	1,381,589	3.48%	1,480,771	3.60%
Student/school activities	844,076	2.13%	800,981	1.95%
Food services	1,570,441	3.95%	1,578,575	3.83%
Other transactions	-	0.00%	9,600	0.02%
Interest on long-term debt	1,973,726	4.97%	1,743,924	4.24%
TOTAL EXPENSES	39,713,771	100.00%	41,165,952	100.00%
Change in net position	$ 10,158,397		$ 9,754,110	

*The 2024 numbers have not been updated for the adoption of GASB 101

Analysis of Significant Revenues and Expenses

Significant revenues and expenditures are discussed in the segments below:

- Property Taxes

  The District levied 17.9894 mills of property taxes for operations on non-principal residence exempt property for the 2024 tax year. According to Michigan law, the tax levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of increase in the prior year's Consumer Price Index or 5%, whichever is less. At the time that property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is one half of the property's market value. At June 30, 2025, there were no material unpaid property taxes.

Analysis of Significant Revenues and Expenses (continued)

- State Sources

  The majority of the unrestricted state sources of revenues is comprised of the per student foundation allowance. The State of Michigan funds school districts based on a blended student enrollment that is calculated based on student counts. For the 2024-2025 fiscal year, the District received $9,608 per student full time equivalent. The student foundation allowance had no change when compared to the previous fiscal year.

- Operating Grants

  The District receives a significant portion of its operating revenue from categorical grants. For the fiscal year ended June 30, 2025, federal, state, and other grants and contributions amounted to $16,848,974. This represents a 6.7% decrease over the $18,066,320 received for the previous fiscal year. This decrease was primarily due to a decrease in federal funding with the COVID-era grants sunsetting.

Comparative Expenditures

A comparison of the expenditures reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances is shown below:

	2024 - 2025	2023 - 2024	Increase (Decrease)
EXPENDITURES			
Instruction	$ 23,336,965	$ 22,843,872	$ 493,093
Supporting services	13,786,511	12,924,504	862,007
Food service activities	1,664,821	1,581,220	83,601
Student/school activities	819,161	785,332	33,829
Community service activities	1,423,434	1,470,516	(47,082)
Other transactions	16,646	9,600	7,046
Capital outlay	19,115,868	4,785,416	14,330,452
Debt service	7,644,579	7,067,224	577,355
TOTAL EXPENDITURES	$ 67,807,985	$ 51,467,684	$ 16,340,301

General Fund Budgetary Highlights

The Uniform Budgeting Act of the State of Michigan requires that the local Board of Education approve the annual operating budget prior to the start of the fiscal year on July 1. Any amendments to the original budget must be approved by the Board prior to the close of the fiscal year on June 30, 2025.

The following schedule shows a comparison of the original general fund budget, the final amended budget, and actual totals from operations for the fiscal year ending June 30, 2025.

	Original Budget	Final Budget	Actual	Final Variance with Budget	% Variance
REVENUES	$ 36,984,600	$ 37,151,700	$ 37,038,459	$ (113,241)	-0.30%
EXPENDITURES					
Instruction	$ 23,704,600	$ 23,394,800	$ 23,336,965	$ 57,835	0.25%
Supporting services	13,175,100	13,848,800	13,786,511	62,289	0.45%
Community services	160,000	150,000	153,556	(3,556)	-2.37%
TOTAL EXPENDITURES	$ 37,039,700	$ 37,393,600	$ 37,277,032	$ 116,568	0.31%
Other financing sources (uses)	$ (672,300)	$ (515,000)	$ (514,283)	$ 717	0.14%

The original budget, adopted by the Board in June 2024, was amended twice during the year. The amendments reflected necessary changes to both revenues and expenditures based on projections made by the Chief Financial Officer.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2024-2025 fiscal year, the District had invested approximately $124.85 million as the original cost in a broad range of capital assets, including land, construction in progress, school buildings and facilities, school buses and other vehicles, and various types of equipment. This represents a net increase of $18,518,196 over the prior fiscal year. Depreciation expense for the year amounted to $2,929,299, bringing the accumulated depreciation to roughly $37.08 million as of June 30, 2025.

	Cost	Accumulated Depreciation	2025 Net Book Value	2024 Net Book Value
Land	$ 1,702,459	$ -	$ 1,702,459	$ 1,702,459
Construction in progress	18,315,197	-	18,315,197	3,914,369
Buildings and additions	91,070,048	28,956,089	62,113,959	60,899,172
Furniture and equipment	5,341,629	3,380,846	1,960,783	1,906,229
Transportation equipment	2,958,249	1,641,610	1,316,639	938,211
Outdoor equipment	5,464,163	3,100,228	2,363,935	2,524,652
	$ 124,851,745	$ 37,078,773	$ 87,772,972	$ 71,885,092

Long-term Obligations

At June 30, 2025, the District had approximately $90.61 million in long-term obligations which included $88,346,622 in general obligation bonds. The general obligation bonds increased during the year by $19,086,738. This increase, as explained above, was a result of bonds issued in the current year partially offset by repayments of previously issued bonded debt and current year amortization of premiums on previously issued bonds. In addition to the general obligation bonds, the District has obligations for compensated absences and termination benefits estimated at roughly $2,262,000.

Factors Bearing on the District's Future

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

- After 30 years since Proposal A of 1994 was passed in Michigan, the State's goal of closing the funding gap was achieved with the 2021-22 State Aid Act, bringing the lowest funded districts up to the base per pupil foundation allowance set at $9,608 for the 2023-24 school year. As a result of this, the District received an increase of $458 per pupil over the previous school year.

- With a decline in enrollment post pandemic and rising costs in many areas including employee wages, employee health insurance, retirement contribution costs, and utilities, District administration continues to be diligent in maintaining a reasonable level of reserves (fund balance). Measures to accomplish this include, but are not limited to, cooperative agreements with Ottawa Area Intermediate School District as well as neighboring public and parochial schools and the continuation of strategic choices in how the District handles its non-instructional support services.

- In September 2012, the Governor signed P.A. 300 of 2012 - MPSERS Reform into law. This bill is the first step by the lawmakers to reform the Michigan Public Schools Employee Retirement System (MPSERS) in order to make it affordable and sustainable into the future. This law requires current school employees to make choices regarding their pension and retiree healthcare which could impact the District's and employee's contributions. It also sets the stage for addressing the ever-growing unfunded liability that MPSERS is facing. To date, these efforts have worked to reduce the unfunded liability on a state-wide basis.

- On May 2, 2023, the District asked voters to consider a building and site bond proposal to address current and future capital needs. Spring Lake's voters voiced their support for its public schools and approved the requested bond issue. The bonds will be issued in two series, one in June 2023 and the second in May 2025. These needed resources will be used to enhance the High School and athletic fields. The resources will also be used to improve safety and security, provide updated instructional technology, equipment, and vehicles.

- In July 2024, the District and its teacher's union mutually agreed to a collectively bargained agreement that runs through the 2026-27 school year that provides for annual increases for the professional teaching staff. Administration believes that this agreement allows financial predictability in its major expenditure component which continues to provide for financial stability.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional information, please contact the Chief Financial Officer at Spring Lake Public Schools, 345 Hammond Street, Spring Lake, MI 49456.

BASIC FINANCIAL STATEMENTS

SPRING LAKE PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 6,942,267
Investments	1,859,238
Receivables	
Accounts	77,901
Intergovernmental	5,161,631
Inventories	80,021
Prepaids	86,668
Net other postemployment benefits asset	6,928,777
Restricted cash and cash equivalents - capital projects	1,274,869
Restricted investments - capital projects	30,547,220
Capital assets not being depreciated	20,017,656
Capital assets, net of accumulated depreciation	67,755,316
TOTAL ASSETS	140,731,564
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	12,286,631
Related to other postemployment benefits	1,818,028
TOTAL DEFERRED OUTFLOWS OF RESOURCES	14,104,659
LIABILITIES	
Accounts payable	762,176
Construction and retainage payable	2,769,180
Arbitrage rebate	666,246
Accrued salaries and related items	2,647,841
Accrued interest - general obligation bonds	476,001
Accrued retirement	1,000,283
Unearned revenue	24,437
Noncurrent liabilities	
Due within one year	5,880,000
Due in more than one year	84,729,033
Net pension liability	38,981,144
TOTAL LIABILITIES	137,936,341
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on refunding, net of amortization	13,195
Related to pensions	11,076,069
Related to other postemployment benefits	8,947,305
Related to state aid funding for pensions	2,154,559
TOTAL DEFERRED INFLOWS OF RESOURCES	22,191,128
NET POSITION	
Net investment in capital assets	29,057,246
Restricted for net other postemployment benefits	6,928,777
Unrestricted	(41,277,269)
TOTAL NET POSITION	$ (5,291,246)

See notes to financial statements.

SPRING LAKE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	$ 20,711,841	$ -	$ 12,651,119	$ (8,060,722)
Support services	13,232,098	318,210	1,842,430	(11,071,458)
Community services	1,381,589	1,319,814	29,203	(32,572)
Student / school activities	844,076	-	820,111	(23,965)
Food services	1,570,441	379,093	1,506,111	314,763
Interest on long-term debt	1,973,726	-	-	(1,973,726)
Total governmental activities	$ 39,713,771	$ 2,017,117	$ 16,848,974	(20,847,680)
General revenues				
Property taxes, levied for general purposes				4,410,620
Property taxes, levied for debt service				7,103,296
Investment earnings				1,047,396
State sources - unrestricted				18,099,635
Other				345,130
Total general revenues				31,006,077
CHANGE IN NET POSITION				10,158,397
NET POSITION, beginning of year, as previously stated				(14,434,898)
Adjustments to beginning net position				(1,014,745)
NET POSITION, beginning of year, as restated				(15,449,643)
NET POSITION, end of year				$ (5,291,246)

See notes to financial statements.

SPRING LAKE PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 4,316,633	$ -	$ 2,625,634	$ 6,942,267
Investments	1,859,238	-	-	1,859,238
Receivables				
Accounts	11,642	-	66,259	77,901
Intergovernmental	5,126,273	-	35,358	5,161,631
Inventories	66,193	-	13,828	80,021
Prepaids	81,847	-	4,821	86,668
Restricted cash and cash equivalents	-	1,274,869	-	1,274,869
Restricted investments	-	30,547,220	-	30,547,220
TOTAL ASSETS	$ 11,461,826	$ 31,822,089	$ 2,745,900	$ 46,029,815
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 647,689	$ -	$ 114,487	$ 762,176
Construction and retainage payable	-	2,769,180	-	2,769,180
Accrued salaries and related items	2,645,158	-	2,683	2,647,841
Accrued retirement	988,196	-	12,087	1,000,283
Unearned revenue	-	-	24,437	24,437
TOTAL LIABILITIES	4,281,043	2,769,180	153,694	7,203,917
FUND BALANCES				
Nonspendable				
Inventories	66,193	-	13,828	80,021
Prepaids	81,847	-	4,821	86,668
Restricted				
Food service	-	-	297,404	297,404
Debt service	-	-	177,959	177,959
Capital projects	-	29,052,909	-	29,052,909

See notes to financial statements.

	General Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
FUND BALANCES (continued)				
Assigned				
Compensated absences and termination benefits	$ 2,262,411	$ -	$ -	$ 2,262,411
Subsequent year expenditures	441,700	-	-	441,700
Capital projects	-	-	1,459,119	1,459,119
Committed				
Fitness and aquatic center	-	-	10,438	10,438
Student/school activities	-	-	628,637	628,637
Unassigned	4,328,632	-	-	4,328,632
TOTAL FUND BALANCES	7,180,783	29,052,909	2,592,206	38,825,898
TOTAL LIABILITIES AND FUND BALANCES	$ 11,461,826	$ 31,822,089	$ 2,745,900	$ 46,029,815

Total Governmental Fund Balances		$ 38,825,898
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows of resources - related to pensions		12,286,631
Deferred outflows of resources - related to other postemployment benefits		1,818,028
Deferred inflows of resources - deferred gain on refunding, net of amortization		(13,195)
Deferred inflows of resources - related to pensions		(11,076,069)
Deferred inflows of resources - related to other postemployment benefits		(8,947,305)
Deferred inflows of resources - related to state pension funding		(2,154,559)
Some assets are not current financial resources and therefore are not reported in the governmental funds balance sheet. Such noncurrent asset(s) at year-end consist of:		
Net other postemployment benefits asset		6,928,777
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
The cost of the capital assets is	$ 124,851,745	
Accumulated depreciation is	(37,078,773)	
		87,772,972
Long-term liabilities are not due and payable in the current period and are not reported in the funds:		
Arbitrage rebate		(666,246)
General obligation bonds		(88,346,622)
Compensated absences and termination benefits		(2,262,411)
Accrued interest		(476,001)
Net pension liability		(38,981,144)
Net Position of Governmental Activities		$ (5,291,246)

See notes to financial statements.

SPRING LAKE PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Local sources				
Property taxes	$ 4,410,620	$ -	$ 7,103,296	$ 11,513,916
Tuition	178,005	-	-	178,005
Investment earnings	486,181	837,042	9,332	1,332,555
Food sales	-	-	242,562	242,562
Student/school activities	-	-	820,111	820,111
Recreation	-	-	1,319,814	1,319,814
Other	433,040	-	136,531	569,571
Total local sources	5,507,846	837,042	9,631,646	15,976,534
State sources	26,218,636	-	1,247,985	27,466,621
Federal sources	730,044	-	464,913	1,194,957
Incoming transfers and other	4,581,933	-	-	4,581,933
TOTAL REVENUES	37,038,459	837,042	11,344,544	49,220,045
EXPENDITURES				
Current				
Instruction	23,336,965	-	-	23,336,965
Supporting services	13,786,511	-	-	13,786,511
Food service activities	-	-	1,664,821	1,664,821
Community service activities	153,556	-	1,269,878	1,423,434
Student/school activities	-	-	819,161	819,161
Memorial trust activities	-	-	16,646	16,646
Capital outlay	-	18,528,378	587,490	19,115,868

See notes to financial statements.

	General Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
EXPENDITURES (continued)				
Debt service				
Principal repayment	$ -	$ -	$ 5,615,000	$ 5,615,000
Interest	-	-	1,799,365	1,799,365
Bond issuance costs	-	227,414	-	227,414
Other	-	-	2,800	2,800
TOTAL EXPENDITURES	37,277,032	18,755,792	11,775,161	67,807,985
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(238,573)	(17,918,750)	(430,617)	(18,587,940)
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance	-	23,670,000	-	23,670,000
Bond premium	-	1,320,870	-	1,320,870
Proceeds from sale of capital assets	21,717	-	-	21,717
Transfers in	75,000	-	617,819	692,819
Transfers out	(611,000)	-	(81,819)	(692,819)
TOTAL OTHER FINANCING SOURCES (USES)	(514,283)	24,990,870	536,000	25,012,587
NET CHANGE IN FUND BALANCES	(752,856)	7,072,120	105,383	6,424,647
FUND BALANCES				
Beginning of year	7,933,639	21,980,789	2,486,823	32,401,251
End of year	$ 7,180,783	$ 29,052,909	$ 2,592,206	$ 38,825,898

See notes to financial statements.

SPRING LAKE PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances Total Governmental Funds	$ 6,424,647
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(2,929,299)
Capital outlay	18,818,429
Net book value of assets disposed	(1,250)
Accrued interest on long-term obligations is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest - general obligation bonds, beginning of the year	304,440
Accrued interest - general obligation bonds, end of the year	(476,001)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items are as follows:	
Payments on general obligation bonds	5,615,000
Amortization of deferred charges on refunding	1,885
Amortization of general obligation bonds premium	289,132
Proceeds from bond issuance	(23,670,000)
Bond premium	(1,320,870)
Compensated absences and termination benefits are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences and termination benefits, beginning of the year, as restated	2,196,348
Accrued compensated absences and termination benefits, end of the year	(2,262,411)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Arbitrage rebate, beginning of the year	381,087
Arbitrage rebate, end of the year	(666,246)
Pension related items	3,954,610
Other postemployment benefits related items	2,583,331
Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period:	
State aid funding, beginning of the year	3,070,124
State aid funding, end of the year	(2,154,559)
Change in Net Position of Governmental Activities	$ 10,158,397

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Description of Government-wide Financial Statements

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

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.

Basis of Presentation - Fund Financial Statements

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

The District reports the following *Major Governmental Funds*:

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

The *2023 Capital Projects Fund* accounts for the receipt of debt proceeds and the acquisition of capital assets or construction of major projects funded with bonds approved by voters on May 2, 2023. The approved bonds were issued in two separate series, Series I in 2023 and Series II in 2025. For these capital projects, the school district has complied with the applicable provisions of §1351a of the Revised School Code. The fund is not yet considered substantially complete and a subsequent year audit is expected.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

Major Governmental Funds (continued):

The following is a summary of the revenues and other financing sources and expenditures for the *2023 Capital Projects Fund* bond activity since inception of the funds through the current fiscal year:

	2023 Capital Projects Fund
Revenues and other financing sources	$ 52,144,484
Expenditures	$ 23,091,575

The above revenue and other financing sources amount includes $24,981,819 and $24,990,870 of bond proceeds and related premiums from the Series I and Series II issuances, respectively.

The District reports the following *Other Nonmajor Funds*:

The *Special Revenue Funds* account for revenue sources that are legally restricted or committed to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service, fitness and aquatic center, student/school activities, and memorial trust activities as special revenue funds.

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

The *Capital Projects Fund* and *Construction Fund - Local Sources* account for the accumulation and disbursement of funds for construction projects and capital improvements. Financing is provided by enhancement millage and other transfers from the general fund.

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

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

Measurement Focus and Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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

Budgetary Information

Budgetary Basis of Accounting

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

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

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

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

b. Public hearings are conducted to obtain taxpayer comments.

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

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

e. The budget was amended during the year with an increase in appropriations, the last one approved prior to year ended June 30, 2025. The District does not consider these amendments to be significant.

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

Cash and Cash Equivalents

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Investments

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

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

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

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

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

e. Bankers acceptances of United States banks.

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

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

Inventories and Prepaid Items

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

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

Capital Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets (continued)

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

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

Capital Asset Classes	Lives
Building and additions	40 - 50 years
Furniture and equipment	3 - 10 years
Transportation equipment	5 - 10 years
Outdoor equipment	5 - 10 years

Defined Benefit Plan

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

Deferred Outflows

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first is a deferred gain on refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period. The third and fourth items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary.

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.

However, in a previous period, the District issued bonded debt in the amount of $14,245,000 used to make principal and interest payments related to the school loan revolving fund. 0.5% of these proceeds are not considered capital related debt as this amount was used to pay off accrued interest. The remaining portion of those proceeds that is not considered to be capital related debt, after factoring for subsequent payments on those proceeds, is $38,101 at June 30, 2025.

Additionally, in a previous period, the District issued bonded debt in the amount of $34,210,000 used to make principal and interest payments related to the SLRF. 2.3% of these proceeds were not considered capital related debt as that percentage of the proceeds was used to pay off accrued interest. The remaining portion of those proceeds that is not considered to be capital related debt, after factoring for subsequent payments on those proceeds, is $553,081 at June 30, 2025.

Fund Balance Flow Assumptions

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance Policies

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

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

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

Leases and Subscription-based IT Arrangements (SBITA)

Lessee/subscriber: At times, the District is a lessee for noncancelable leases/subscriptions of equipment and/or subscription-based IT arrangements. When significant, the District recognizes a lease/SBITA liability and an intangible right-to-use lease/subscription asset in the government-wide financial statements. The District recognizes lease/SBITA liabilities with an initial, individual value that it considers significant to the government-wide financial statements, or with annual lease payments that are considered significant to the fund in which they are accounted for.

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

Key estimates and judgements related to leases/SBITAs include how the District determines (1) the discount rate it uses to discount the expected lease/subscription payments to present value, (2) lease/subscription term, and (3) lease/subscription payments.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term obligations in the statement of net position.

Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

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

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

Fund	Mills
General fund	
Non-Principal Residence Exemption (PRE)	17.9894
Commercial Personal Property	5.9894
Debt service fund	
PRE, Non-PRE, Commercial Personal Property	7.000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses (continued)

Compensated Absences and Termination Benefits

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.

Long-term Obligations

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned. As of June 30, 2025, $7,561,041 of the District's bank balance of $8,244,709 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was $8,217,136.

Custodial Credit Risk - Investments

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

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

Investment Type	Fair Value	Weighted Average Maturity (Years)
MILAF External Investment Pool - CMC	$ 1,065,582	N/A
MILAF External Investment Pool - MAX	31,340,876	N/A
Total fair value	$ 32,406,458	

Concentration of Credit Risk

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

Investment Type	Fair Value	Rating	Rating Agency
MILAF External Investment Pool - CMC	$ 1,065,582	AAAm	Standard & Poor's
MILAF External Investment Pool - MAX	31,340,876	AAAm	Standard & Poor's
Total	$ 32,406,458		

Foreign Currency Risk

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

Fair Value Measurement

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

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

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

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

At June 30, 2025, the District does not have any investments subject to fair value measurement.

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

	Amortized Cost
MILAF External Investment Pool - CMC	$ 1,065,582
MILAF External Investment Pool - MAX	31,340,876
	$ 32,406,458

The deposits 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	$ 6,942,267
Investments	1,859,238
Restricted cash and cash equivalents - capital projects	1,274,869
Restricted investments - capital projects	30,547,220
	$ 40,623,594

NOTE 3 - CAPITAL ASSETS

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

	Balance July 1, 2024	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2025
Capital assets not being depreciated				
Land	$ 1,702,459	$ -	$ -	$ 1,702,459
Construction in progress	3,914,369	16,553,340	2,152,512	18,315,197
Subtotal	5,616,828	16,553,340	2,152,512	20,017,656
Capital assets being depreciated				
Buildings and additions	87,816,553	3,253,495	-	91,070,048
Furniture and equipment	4,988,163	389,106	35,640	5,341,629
Transportation equipment	2,574,270	648,572	264,593	2,958,249
Outdoor equipment	5,337,735	126,428	-	5,464,163
Subtotal	100,716,721	4,417,601	300,233	104,834,089
Accumulated depreciation				
Buildings and additions	26,917,381	2,038,708	-	28,956,089
Furniture and equipment	3,081,934	334,552	35,640	3,380,846
Transportation equipment	1,636,059	268,894	263,343	1,641,610
Outdoor equipment	2,813,083	287,145	-	3,100,228
Total accumulated depreciation	34,448,457	2,929,299	298,983	37,078,773
Net capital assets being depreciated	66,268,264	1,488,302	1,250	67,755,316
Net governmental capital assets	$ 71,885,092	$ 18,041,642	$ 2,153,762	$ 87,772,972

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

Governmental activities	
Instruction	$ 1,751,383
Support services	1,057,212
Food service	50,816
Student / school activities	24,915
Community service	44,973
Total governmental activities	$ 2,929,299

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Receivables at June 30, 2025 consist of the following:

	Government-wide
Other governmental units	
State aid	$ 4,602,601
Federal revenue	67,059
ISD and other	491,971
	$ 5,161,631

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

No allowance for doubtful accounts is considered necessary.

NOTE 5 - LONG-TERM OBLIGATIONS

The District issues general obligation bonds and used notes from direct borrowings and direct placements to provide funds for the acquisition, construction, and improvement of major capital facilities. General obligation bonds and notes from direct borrowings and direct placements are direct obligations and pledge the full faith and credit of the District. The District does not have any direct borrowings and direct placements at current year end.

The following is a summary of governmental long-term obligations for the District for the year ended June 30, 2025:

	Accumulated Compensated Absences*	Accumulated Termination Benefits	General Obligation Bonds	Total
Balance, July 1, 2024, as restated	$ 2,009,348	$ 187,000	$ 69,259,884	$ 71,456,232
Additions	120,063	-	24,990,870	25,110,933
Deletions	-	(54,000)	(5,904,132)	(5,958,132)
Balance, June 30, 2025	2,129,411	133,000	88,346,622	90,609,033
Due within one year	-	-	5,880,000	5,880,000
Due in more than one year	$ 2,129,411	$ 133,000	$ 82,466,622	$ 84,729,033

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

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Long-term obligations at June 30, 2025 are comprised of the following:

General Obligation Bonds	
2014 Building and site bonds due in annual installments of $10,000 through May 1, 2043 with interest from 3.75% to 4.00%.	$ 180,000
2019 Refunding bonds due in annual installments of $2,300,000 to $2,550,000 through May 1, 2032 with interest from 2.21% to 2.55%.	16,920,000
2020 Refunding bonds due in annual installments of $1,480,000 to $1,625,000 through May 1, 2031 with interest from 1.55% to 2.20%.	9,320,000
2021 Refunding bonds due in annual installments of $805,000 to $2,520,000 through November 1, 2028 with interest from 0.92% to 1.63%.	7,715,000
2023 Building and site bonds due in annual installments of $605,000 to $2,010,000 through November 1, 2047 with interest from 4.00% to 6.00%.	23,775,000
2025 Building and site bonds due in annual installments of $100,000 to $3,600,000 through May 1, 2045 with interest of 5.00%.	23,670,000
Add - issuance premiums	6,766,622
Total general obligation bonds	88,346,622
Accumulated compensated absences	2,129,411
Accumulated termination benefits	133,000
Total compensated absences and termination benefits	2,262,411
Total long-term obligations	$ 90,609,033

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

The annual requirements to amortize debt outstanding as of June 30, 2025, including interest payments of $32,295,720, are as follows:

Year Ending June 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	Accumulated Compensated Absences and Termination Benefits	Totals
2026	$ 5,880,000	$ 2,861,924	$ -	$ 8,741,924
2027	6,165,000	2,805,591	-	8,970,591
2028	6,470,000	2,694,405	-	9,164,405
2029	5,450,000	2,580,480	-	8,030,480
2030	4,635,000	2,440,061	-	7,075,061
2031 - 2035	18,985,000	10,197,087	-	29,182,087
2036 - 2040	15,900,000	5,877,594	-	21,777,594
2041 - 2045	13,425,000	2,593,500	-	16,018,500
2046 - 2048	4,670,000	245,078	-	4,915,078
	81,580,000	32,295,720	-	113,875,720
Issuance premiums	6,766,622	-	-	6,766,622
Accumulated compensated absences and termination benefits	-	-	2,262,411	2,262,411
	$ 88,346,622	$ 32,295,720	$ 2,262,411	$ 122,904,753

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

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

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided - Overall

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

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

Benefits Provided - Pension

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

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

Pension Reform 2010

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

Pension Reform 2012

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

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

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (continued)

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

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

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

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

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

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

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

Employees who first work on or after September 4, 2012 choose between two retirement plans: The Pension Plus Plan and a Defined Contribution 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.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform of 2017

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

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

Pension Reform of 2023

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

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Retiree Healthcare Reform of 2012(continued)

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

Regular Retirement (no reduction factor for age)

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

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

Member Contributions

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

Employer Contributions

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

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

Pension and OPEB contributions made in the fiscal year ending September 30, 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.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (continued)

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

The District's pension contributions for the year ended June 30, 2025 were equal to the required contribution total. Total pension contributions were approximately $7,619,000. Of the total pension contributions approximately $7,420,000 was contributed to fund the Defined Benefit Plan and approximately $199,000 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. Total OPEB contributions were approximately $218,000. Of the total OPEB contributions approximately $97,000 was contributed to fund the Defined Benefit Plan and approximately $121,000 was contributed to fund the Defined Contribution Plan.

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

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

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	September 30, 2024	September 30, 2023
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	$ 24,482,016,787	$ 32,366,066,319
Proportionate share	0.15922%	0.15880%
Net pension liability for the District	$ 38,981,144	$ 51,395,786

For the year ended June 30, 2025, the District recognized pension expense of $3,465,637.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual plan investment earnings	$ -	$ 7,439,255
Differences between expected and actual experience	1,057,586	423,535
Changes in proportion and differences between employer contributions and proportionate share of contributions	437,971	357,194
Change of assumptions	4,064,015	2,856,085
Reporting Unit's contributions subsequent to the measurement date	6,727,059	-
	$ 12,286,631	$ 11,076,069

$6,727,059, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Year Ended June 30,	Amount
2026	$ (1,048,963)
2027	236,897
2028	(2,780,372)
2029	(1,924,059)

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

The net OPEB liability (asset) was measured as of September 30, 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.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

MPSERS (Plan) Non-University Employers	September 30, 2024	September 30, 2023
Total other postemployment benefits liability	$ 9,991,545,923	$ 11,223,648,949
Plan fiduciary net position	$ 14,295,943,589	$ 11,789,347,341
Net other postemployment benefits asset	$ (4,304,397,666)	$ (565,698,392)
Proportionate share	0.16097%	0.15678%
Net other postemployment benefits asset for the District	$ (6,928,777)	$ (886,892)

For the year ended June 30, 2025, the District recognized OPEB benefit of $2,485,963.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual other postemployment benefits plan investment earnings	$ -	$ 1,311,697
Differences between expected and actual experience	-	7,342,388
Changes in proportion and differences between employer contributions and proportionate share of contributions	274,059	119,274
Change of assumptions	1,513,345	173,946
Reporting Unit's contributions subsequent to the measurement date	30,624	-
	$ 1,818,028	$ 8,947,305

$30,624, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

Year Ended June 30,	Amount
2026	$ (2,315,816)
2027	(1,381,796)
2028	(1,383,423)
2029	(1,270,299)
2030	(683,811)
2031	(124,756)

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 adjusted for mortality improvements using projection scale from 2010.

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

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

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.25% 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:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.3%
International Equity Pools	15.0%	6.5%
Private Equity Pools	16.0%	9.0%
Real Estate and Infrastructure Pools	10.0%	7.1%
Fixed Income Pools	13.0%	2.2%
Absolute Return Pools	9.0%	5.2%
Real Return/Opportunistic Pools	10.0%	6.9%
Short Term Investment Pools	2.0%	1.4%
	100.0%	

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

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	$ 57,146,775	$ 38,981,144	$ 23,854,760

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

	Other Postemployment Benefit		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	$ (5,354,616)	$ (6,928,777)	$ (8,289,806)

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

	Other Postemployment Benefits		
	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	$ (8,289,821)	$ (6,928,777)	$ (5,469,066)

Pension and OPEB Plan Fiduciary Net Position

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

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

NOTE 7 - CONTINGENT LIABILITIES

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

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees and natural disasters. The District is a member of the West Michigan Risk Management Trust (Trust), a self-insurance program with 19 districts pooling together to insure property, liability and auto exposures. Premiums from members of the Trust are arrived at through standard underwriting procedures. The members of the Trust have contributed amounts sufficient to fund individual and aggregate losses up to $250,000 and $1,685,000, respectively, on an annual basis. Excess insurance has been purchased to cover claims exceeding those amounts. A $1,000 per occurrence deductible for property losses is maintained to place the responsibility for small charges with the members of the Trust.

NOTE 8 - RISK MANAGEMENT (continued)

The District is a member of the West Michigan Workers' Compensation Group, a group purchase program with 15 member districts. The group purchase program is guaranteed cost and all workers' compensation or employers' liability claims are covered under the program.

The District carries commercial insurance for all other risks of loss, including employee life, health and accident insurance. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past 3 fiscal years.

NOTE 9 - TAX ABATEMENTS

The District is required to disclose significant tax abatements as required by GASB Statement 77 (*Tax Abatements*). The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions, Brownfield Redevelopment Agreements, and Payments in Lieu of Taxes (PILOT) granted by Spring Lake and Crockery Townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield Redevelopment Agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; PILOT programs apply to multiple unit housing for citizens of low income and the elderly. The property taxes abated for all funds by municipality under these programs are as follows:

Municipality	Taxes Abated
Spring Lake Township	$ 158,618
Crockery Township	59,016
	$ 217,634

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's section 22 funding of the State School Aid Act. There are no abatements made by the District.

NOTE 10 - TRANSFERS

The transfer to the general fund of $75,000 from the food service fund was for indirect costs. The transfer to the capital projects fund of $610,000 from the general fund was to move the county enhancement millage plus additional general funds into the capital projects fund for future improvements. The transfer to the construction fund – local sources of $1,000 from the general fund was to move local funds to contribute to ongoing construction projects of the District. There were also transfers between the nonmajor debt funds to allocate cash ahead of the subsequent year's debt service requirements.

NOTE 11 - COMMITMENTS

The District has active capital projects outstanding at June 30, 2025. Approximately $29,053,000 is restricted and recorded as fund balance in the 2023 capital projects fund.

NOTE 12 - 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;
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.

NOTE 13 - 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.

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

	Governmental Activities
Net position as of July 1, 2024, as previously stated	$ (14,434,898)
Change in accounting principle (GASB 101)	(1,014,745)
Net position as of July 1, 2024, as restated	$ (15,449,643)

REQUIRED SUPPLEMENTARY INFORMATION

SPRING LAKE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	$ 5,056,100	$ 5,432,000	$ 5,507,846	$ 75,846
State sources	26,905,500	26,566,300	26,218,636	(347,664)
Federal sources	635,500	608,000	730,044	122,044
Incoming transfers and other	4,387,500	4,545,400	4,581,933	36,533
TOTAL REVENUES	36,984,600	37,151,700	37,038,459	(113,241)
EXPENDITURES				
Current				
Instruction				
Basic programs	18,148,100	18,294,800	18,248,768	46,032
Added needs	5,556,500	5,100,000	5,088,197	11,803
Total instruction	23,704,600	23,394,800	23,336,965	57,835
Supporting services				
Pupil support	2,308,300	2,501,200	2,468,621	32,579
Instructional staff	1,434,800	1,450,000	1,460,878	(10,878)
General administration	670,000	697,400	692,012	5,388
School administration	1,820,000	1,810,000	1,809,039	961
Business services	344,200	401,600	406,621	(5,021)
Operation/maintenance	3,429,000	3,550,000	3,529,427	20,573
Pupil transportation	1,320,000	1,518,600	1,527,009	(8,409)
Central	818,800	800,000	777,917	22,083
Athletics	1,030,000	1,120,000	1,114,987	5,013
Total supporting services	13,175,100	13,848,800	13,786,511	62,289
Community services	160,000	150,000	153,556	(3,556)
TOTAL EXPENDITURES	37,039,700	37,393,600	37,277,032	116,568
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(55,100)	(241,900)	(238,573)	3,327
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	10,000	20,000	21,717	1,717
Transfers in	75,000	75,000	75,000	-
Transfers out	(757,300)	(610,000)	(611,000)	(1,000)
TOTAL OTHER FINANCING SOURCES (USES)	(672,300)	(515,000)	(514,283)	717
NET CHANGE IN FUND BALANCE	$ (727,400)	$ (756,900)	(752,856)	$ 4,044
FUND BALANCE				
Beginning of year			7,933,639	
End of year			$ 7,180,783	

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Reporting Unit's proportion of net pension liability (%)	0.15922%	0.15880%	0.16049%	0.15734%	0.15599%	0.15466%	0.15378%	0.15223%	0.14835%	0.14914%
Reporting Unit's proportionate share of net pension liability	$ 38,981,144	$ 51,395,786	$ 60,358,741	$ 37,249,750	$ 53,585,639	$ 51,218,619	$ 46,229,345	$ 39,448,002	$ 37,012,820	$ 36,427,907
Reporting Unit's covered-employee payroll	$ 16,858,315	$ 15,552,120	$ 15,903,438	$ 14,256,371	$ 13,765,334	$ 13,501,352	$ 13,126,870	$ 12,899,252	$ 12,485,598	$ 12,402,703
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	231.23%	330.47%	379.53%	261.28%	389.28%	379.36%	352.17%	305.82%	296.44%	293.71%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	$ 7,420,246	$ 6,456,160	$ 7,309,040	$ 5,297,472	$ 4,580,483	$ 4,215,720	$ 4,034,175	$ 4,023,144	$ 3,555,308	$ 3,258,004
Contributions in relation to statutorily required contributions	7,420,246	6,456,160	7,309,040	5,297,472	4,580,483	4,215,720	4,034,175	4,023,144	3,555,308	3,258,004
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 18,254,609	$ 16,425,343	$ 15,392,416	$ 15,299,656	$ 13,921,530	$ 13,803,163	$ 13,457,540	$ 12,968,666	$ 13,282,353	$ 12,379,746
Contributions as a percentage of covered-employee payroll	40.65%	39.31%	47.48%	34.62%	32.90%	30.54%	29.98%	31.02%	26.77%	26.32%

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

	2024	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net other postemployment benefits liability/asset (%)	0.16097%	0.15678%	0.16050%	0.15851%	0.15601%	0.15519%	0.15394%	0.15197%
Reporting Unit's proportionate share of net other postemployment benefits liability (asset)	$ (6,928,777)	$ (886,892)	$ 3,399,476	$ 2,419,470	$ 8,357,809	$ 11,139,300	$ 12,236,837	$ 13,457,324
Reporting Unit's covered-employee payroll	$ 16,858,315	$ 15,552,120	$ 15,903,438	$ 14,256,371	$ 13,765,334	$ 13,501,352	$ 13,126,870	$ 12,899,252
Reporting Unit's proportionate share of net other postemployment benefits liability/asset as a percentage of its covered-employee payroll	41.10%	5.70%	21.38%	16.97%	60.72%	82.51%	93.22%	104.33%
Plan fiduciary net position as a percentage of total other postemployment benefits liability (Non-university employers)	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

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

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

	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	$ 97,368	$ 1,394,945	$ 1,312,872	$ 1,248,252	$ 1,215,324	$ 1,185,595	$ 1,114,813	$ 1,132,210
Contributions in relation to statutorily required contributions	97,368	1,394,945	1,312,872	1,248,252	1,215,324	1,185,595	1,114,813	1,132,210
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 18,254,609	$ 16,425,343	$ 15,392,416	$ 15,299,656	$ 13,921,530	$ 13,803,163	$ 13,457,540	$ 12,968,666
Contributions as a percentage of covered-employee payroll	0.53%	8.49%	8.53%	8.16%	8.73%	8.59%	8.28%	8.73%

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

SPRING LAKE PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 1 - PENSION INFORMATION

Benefit Changes

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

Changes in Assumptions

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

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

NOTE 2 - OPEB INFORMATION

Benefit Changes

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

Changes in Assumptions

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

- 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.

NOTE 2 - OPEB INFORMATION (continued)

Changes in Assumptions (continued)

- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 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.

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

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

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

ADDITIONAL SUPPLEMENTARY INFORMATION

SPRING LAKE PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2025

	Special Revenue	Debt Service	Construction Fund - Local Sources	Capital Projects Fund	Total
ASSETS					
Cash and cash equivalents	$ 988,479	$ 178,036	$ -	$ 1,459,119	$ 2,625,634
Accounts receivable	52,250	14,009	-	-	66,259
Intergovernmental	35,358	-	-	-	35,358
Prepaids	4,821	-	-	-	4,821
Inventories	13,828	-	-	-	13,828
TOTAL ASSETS	$ 1,094,736	$ 192,045	$ -	$ 1,459,119	$ 2,745,900
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 100,401	$ 14,086	$ -	$ -	$ 114,487
Accrued salaries and related items	2,683	-	-	-	2,683
Accrued retirement	12,087	-	-	-	12,087
Unearned revenue	24,437	-	-	-	24,437
TOTAL LIABILITIES	139,608	14,086	-	-	153,694
FUND BALANCES					
Nonspendable					
Inventories	13,828	-	-	-	13,828
Prepaids	4,821	-	-	-	4,821
Restricted					
Debt service	-	177,959	-	-	177,959
Food service	297,404	-	-	-	297,404
Committed					
Fitness and aquatic center	10,438	-	-	-	10,438
Student/school activities	628,637	-	-	-	628,637
Assigned - capital projects	-	-	-	1,459,119	1,459,119
TOTAL FUND BALANCES	955,128	177,959	-	1,459,119	2,592,206
TOTAL LIABILITIES AND FUND BALANCES	$ 1,094,736	$ 192,045	$ -	$ 1,459,119	$ 2,745,900

SPRING LAKE PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2025

	Special Revenue	Debt Service	Construction Fund - Local Sources	Capital Projects Fund	Total
REVENUES					
Local sources					
Property taxes	$ -	$ 7,103,296	$ -	$ -	$ 7,103,296
Investment earnings	-	9,332	-	-	9,332
Food sales	242,562	-	-	-	242,562
Student/school activities	820,111	-	-	-	820,111
Recreation	1,319,814	-	-	-	1,319,814
Other	136,531	-	-	-	136,531
Total local sources	2,519,018	7,112,628	-	-	9,631,646
State sources	1,054,862	193,123	-	-	1,247,985
Federal sources	464,913	-	-	-	464,913
TOTAL REVENUES	4,038,793	7,305,751	-	-	11,344,544
EXPENDITURES					
Current					
Food service activities	1,664,821	-	-	-	1,664,821
Community service activities	1,269,878	-	-	-	1,269,878
Student/school activities	819,161	-	-	-	819,161
Memorial trust activities	16,646	-	-	-	16,646
Capital outlay	209,264	-	1,000	377,226	587,490
Debt service					
Principal repayments	-	5,615,000	-	-	5,615,000
Interest	-	1,799,365	-	-	1,799,365
Other	-	2,800	-	-	2,800
TOTAL EXPENDITURES	3,979,770	7,417,165	1,000	377,226	11,775,161
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	59,023	(111,414)	(1,000)	(377,226)	(430,617)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	6,819	1,000	610,000	617,819
Transfers out	(75,000)	(6,819)	-	-	(81,819)
TOTAL OTHER FINANCING SOURCES (USES)	(75,000)	-	1,000	610,000	536,000
NET CHANGE IN FUND BALANCES	(15,977)	(111,414)	-	232,774	105,383
FUND BALANCES					
Beginning of year	971,105	289,373	-	1,226,345	2,486,823
End of year	$ 955,128	$ 177,959	$ -	$ 1,459,119	$ 2,592,206

SPRING LAKE PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Food Service	Fitness and Aquatic Center Fund	Student/ School Activities	Memorial Trust	Total
ASSETS					
Cash and cash equivalents	$ 297,423	$ 33,442	$ 657,614	$ -	$ 988,479
Accounts receivable	-	52,250	-	-	52,250
Intergovernmental	35,358	-	-	-	35,358
Prepaids	-	4,821	-	-	4,821
Inventories	13,828	-	-	-	13,828
TOTAL ASSETS	$ 346,609	$ 90,513	$ 657,614	$ -	$ 1,094,736
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 2,276	$ 69,148	$ 28,977	$ -	$ 100,401
Accrued salaries and related items	-	2,683	-	-	2,683
Accrued retirement	8,664	3,423	-	-	12,087
Unearned revenue	24,437	-	-	-	24,437
TOTAL LIABILITIES	35,377	75,254	28,977	-	139,608
FUND BALANCES					
Nonspendable					
Inventories	13,828	-	-	-	13,828
Prepaids	-	4,821	-	-	4,821
Restricted	297,404	-	-	-	297,404
Committed	-	10,438	628,637	-	639,075
TOTAL FUND BALANCES	311,232	15,259	628,637	-	955,128
TOTAL LIABILITIES AND FUND BALANCES	$ 346,609	$ 90,513	$ 657,614	$ -	$ 1,094,736

SPRING LAKE PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025

	Food Service	Fitness and Aquatic Center Fund	Student/ School Activities	Memorial Trust	Total
REVENUES					
Food sales	$ 242,562	$ -	$ -	$ -	$ 242,562
State sources	1,032,696	22,166	-	-	1,054,862
Federal sources	464,913	-	-	-	464,913
Student/school activities	-	-	820,111	-	820,111
Recreation	-	1,319,814	-	-	1,319,814
Other	136,531	-	-	-	136,531
TOTAL REVENUES	1,876,702	1,341,980	820,111	-	4,038,793
EXPENDITURES					
Salaries	417,817	271,612	-	-	689,429
Benefits	236,528	121,003	-	-	357,531
Purchased services	158,462	427,861	-	-	586,323
Supplies and materials	849,647	386,430	-	-	1,236,077
Student/school activities	-	-	819,161	-	819,161
Capital outlay	72,698	74,336	62,230	-	209,264
Other	2,367	62,972	-	16,646	81,985
TOTAL EXPENDITURES	1,737,519	1,344,214	881,391	16,646	3,979,770
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	139,183	(2,234)	(61,280)	(16,646)	59,023
OTHER FINANCING SOURCES (USES)					
Transfers out	(75,000)	-	-	-	(75,000)
NET CHANGE IN FUND BALANCES	64,183	(2,234)	(61,280)	(16,646)	(15,977)
FUND BALANCES					
Beginning of year	247,049	17,493	689,917	16,646	971,105
End of year	$ 311,232	$ 15,259	$ 628,637	$ -	$ 955,128

SPRING LAKE PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	2014 Debt Service	2023 Debt Service	2019 Debt Service	2020 Debt Service	2021 Debt Service	Total
ASSETS						
Cash and cash equivalents	$ 178	$ 25,281	$ 64,805	$ 38,456	$ 49,316	$ 178,036
Accounts receivable	32	2,027	5,039	3,127	3,784	14,009
TOTAL ASSETS	$ 210	$ 27,308	$ 69,844	$ 41,583	$ 53,100	$ 192,045
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 32	$ 2,095	$ 5,043	$ 3,129	$ 3,787	$ 14,086
FUND BALANCES						
Restricted for debt service	178	25,213	64,801	38,454	49,313	177,959
TOTAL LIABILITIES AND FUND BALANCES	$ 210	$ 27,308	$ 69,844	$ 41,583	$ 53,100	$ 192,045

SPRING LAKE PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025

	2014 Debt Service	2023 Debt Service	2019 Debt Service	2020 Debt Service	2021 Debt Service	Total
REVENUES						
Local sources						
Property taxes	$ 16,339	$ 1,027,846	$ 2,555,055	$ 1,585,456	$ 1,918,600	$ 7,103,296
Investment earnings	-	-	9,332	-	-	9,332
Total local sources	16,339	1,027,846	2,564,387	1,585,456	1,918,600	7,112,628
State sources	444	27,945	69,466	41,773	53,495	193,123
TOTAL REVENUES	16,783	1,055,791	2,633,853	1,627,229	1,972,095	7,305,751
EXPENDITURES						
Principal repayments	10,000	-	2,250,000	1,455,000	1,900,000	5,615,000
Interest	7,441	1,072,744	417,092	199,579	102,509	1,799,365
Other	300	1,000	500	500	500	2,800
TOTAL EXPENDITURES	17,741	1,073,744	2,667,592	1,655,079	2,003,009	7,417,165
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(958)	(17,953)	(33,739)	(27,850)	(30,914)	(111,414)
OTHER FINANCING SOURCES (USES)						
Transfers in	841	2,138	-	3,790	50	6,819
Transfers out	-	-	(6,819)	-	-	(6,819)
TOTAL OTHER FINANCING SOURCES (USES)	841	2,138	(6,819)	3,790	50	-
NET CHANGE IN FUND BALANCES	(117)	(15,815)	(40,558)	(24,060)	(30,864)	(111,414)
FUND BALANCES						
Beginning of year	295	41,028	105,359	62,514	80,177	289,373
End of year	$ 178	$ 25,213	$ 64,801	$ 38,454	$ 49,313	$ 177,959

SPRING LAKE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2025

2014 School Building and Site Bonds

Fiscal Year	Interest rate	Principal Due	Interest Due May 1	Interest Due November 1	Total Due Annually
2026	3.750%	$ 10,000	$ 3,475	$ 3,475	$ 16,950
2027	3.750%	10,000	3,288	3,288	16,576
2028	3.750%	10,000	3,100	3,100	16,200
2029	3.750%	10,000	2,913	2,913	15,826
2030	3.750%	10,000	2,725	2,725	15,450
2031	3.750%	10,000	2,537	2,537	15,074
2032	3.750%	10,000	2,350	2,350	14,700
2033	3.750%	10,000	2,163	2,163	14,326
2034	3.750%	10,000	1,975	1,975	13,950
2035	3.750%	10,000	1,787	1,787	13,574
2036	4.000%	10,000	1,600	1,600	13,200
2037	4.000%	10,000	1,400	1,400	12,800
2038	4.000%	10,000	1,200	1,200	12,400
2039	4.000%	10,000	1,000	1,000	12,000
2040	4.000%	10,000	800	800	11,600
2041	4.000%	10,000	600	600	11,200
2042	4.000%	10,000	400	400	10,800
2043	4.000%	10,000	200	200	10,400
Total 2014 bonded debt		$ 180,000	$ 33,513	$ 33,513	$ 247,026

The above bonds dated June 26, 2014 were issued for school building and site purposes. The amount of the original bond issue was $47,275,000.

SPRING LAKE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2025

2019 Refunding Bonds

Fiscal Year	Interest Rate	Principal Due	Interest Due May 1	Interest Due November 1	Total Due Annually
2026	2.206%	$ 2,300,000	$ 173,027	$ 197,476	$ 2,670,503
2027	2.299%	2,350,000	147,106	173,027	2,670,133
2028	2.349%	2,400,000	119,518	147,106	2,666,624
2029	2.379%	2,450,000	90,743	119,518	2,660,261
2030	2.449%	2,500,000	61,005	90,743	2,651,748
2031	2.499%	2,550,000	29,781	61,005	2,640,786
2032	2.549%	2,370,000	8,539	29,779	2,408,318
Total 2019 bonded debt		$ 16,920,000	$ 629,719	$ 818,654	$ 18,368,373

The above bonds dated October 23, 2019 were issued for the purpose of refunding the 2010 general obligation bonds and a portion of outstanding school loan revolving fund principal and interest. The amount of the original bond issue was $24,475,000.

SPRING LAKE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2025

2020 Refunding Bonds

Fiscal Year	Interest Rate	Principal Due	Interest Due May 1	Interest Due November 1	Total Due Annually
2026	1.546%	$ 1,480,000	$ 90,405	$ 90,405	$ 1,660,810
2027	1.746%	1,505,000	78,965	78,965	1,662,930
2028	1.952%	1,540,000	65,826	65,826	1,671,652
2029	2.052%	1,580,000	50,795	50,795	1,681,590
2030	2.102%	1,625,000	34,585	34,585	1,694,170
2031	2.202%	1,590,000	17,506	17,505	1,625,011
Total 2020 bonded debt		$ 9,320,000	$ 338,082	$ 338,081	$ 9,996,163

The above bonds dated June 17, 2020 were issued for the purpose of refunding a portion of outstanding school loan revolving fund principal and interest. The amount of the original bond issue was $12,840,000.

SPRING LAKE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2025

2021 Refunding Bonds

Fiscal Year	Interest Rate	Principal Due	Interest Due May 1	Interest Due November 1	Total Due Annually
2026	0.920% - 1.070%	$ 2,090,000	$ 38,892	$ 47,977	$ 2,176,869
2027	1.120% - 1.430%	2,300,000	26,433	38,277	2,364,710
2028	1.460% - 1.580%	2,520,000	8,575	25,110	2,553,685
2029	1.630%	805,000	-	6,561	811,561
Total 2021 bonded debt		$ 7,715,000	$ 73,900	$ 117,925	$ 7,906,825

The above bonds dated June 23, 2021 were issued for the purpose of refunding the remainder of the outstanding school loan revolving fund principal and interest. The amount of the original bond issue was $14,245,000.

SPRING LAKE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2025

2023 School Building and Site Bonds

Fiscal Year	Interest rate	Principal Due	Interest Due May 1	Interest Due November 1	Total Due Annually
2026	6.000%	$ -	$ 536,372	$ 536,372	$ 1,072,744
2027	6.000%	-	536,372	536,372	1,072,744
2028	6.000%	-	536,372	536,372	1,072,744
2029	6.000%	605,000	536,372	536,372	1,677,744
2030	6.000%	-	518,222	518,221	1,036,443
2031	6.000%	-	518,222	518,221	1,036,443
2032	6.000%	-	518,222	518,221	1,036,443
2033	6.000%	-	518,222	518,221	1,036,443
2034	5.000%	1,235,000	487,347	518,221	2,240,568
2035	5.000%	1,290,000	455,097	487,346	2,232,443
2036	5.000%	1,345,000	421,472	455,097	2,221,569
2037	5.000%	1,400,000	386,472	421,472	2,207,944
2038	5.000%	1,465,000	349,847	386,472	2,201,319
2039	5.000%	1,515,000	311,972	349,847	2,176,819
2040	5.000%	1,555,000	273,097	311,972	2,140,069
2041	4.000%	1,615,000	240,797	273,097	2,128,894
2042	4.000%	1,670,000	207,397	240,797	2,118,194
2043	4.000%	1,735,000	172,697	207,397	2,115,094
2044	4.000%	1,805,000	136,597	172,697	2,114,294
2045	4.125%	1,870,000	98,028	136,597	2,104,625
2046	4.125%	1,935,000	58,119	98,028	2,091,147
2047	4.250%	2,010,000	15,406	58,119	2,083,525
2048	4.250%	725,000	-	15,406	740,406
Total 2023 bonded debt		$ 23,775,000	$ 7,832,721	$ 8,350,937	$ 39,958,658

The above bonds dated June 29, 2023 were issued for school building and site purposes. The amount of the original bond issue was $23,775,000.

SPRING LAKE PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2025

2025 School Building and Site Bonds

Fiscal Year	Interest rate	Principal Due	Interest Due		Total Due Annually
			May 1	November 1	
2026	5.000%	$ -	$ 591,750	$ 552,300	$ 1,144,050
2027	5.000%	-	591,750	591,750	1,183,500
2028	5.000%	-	591,750	591,750	1,183,500
2029	5.000%	-	591,750	591,750	1,183,500
2030	5.000%	500,000	585,500	591,750	1,677,250
2031	5.000%	100,000	576,750	579,250	1,256,000
2032	5.000%	1,500,000	551,000	576,750	2,627,750
2033	5.000%	3,600,000	488,375	539,250	4,627,625
2034	5.000%	2,300,000	429,625	449,250	3,178,875
2035	5.000%	2,400,000	372,000	391,750	3,163,750
2036	5.000%	2,300,000	312,000	331,750	2,943,750
2037	5.000%	2,300,000	254,375	274,250	2,828,625
2038	5.000%	2,080,000	197,000	216,750	2,493,750
2039	5.000%	945,000	164,750	164,750	1,274,500
2040	5.000%	945,000	141,125	141,125	1,227,250
2041	5.000%	940,000	117,500	117,500	1,175,000
2042	5.000%	940,000	94,000	94,000	1,128,000
2043	5.000%	940,000	70,500	70,500	1,081,000
2044	5.000%	940,000	47,000	47,000	1,034,000
2045	5.000%	940,000	23,500	23,500	987,000
Total 2025 bonded debt		$ 23,670,000	$ 6,792,000	$ 6,936,675	$ 37,398,675

The above bonds dated May 13, 2025 were issued for school building and site purposes. The amount of the original bond issue was $23,670,000.

Maner Costerisan

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

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

To the Board of Education of
Spring Lake Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spring Lake Public Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Spring Lake Public Schools' basic financial statements, and have issued our report thereon dated October 22, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Maney Costerisan PC

October 22, 2025

Maner Costerisan

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

October 22, 2025

To the Board of Education of the
Spring Lake Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spring Lake Public Schools for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Spring Lake Public Schools are described in Note 1 to the financial statements. As described in Note 13 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101 *Compensated Absences*, during the year ended June 30, 2025. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by Spring Lake Public Schools during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

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

Management's estimate in calculating the positive arbitrage rebate liability.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 22, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

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

Very truly yours,

Maner Costerisan PC