



HOLLAND, MICHIGAN

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**



Holland, Michigan

**Ottawa Area Intermediate School District
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

YEAR ENDED JUNE 30, 2025

**Issued by:
Office of the Superintendent
Chief Financial Officer
Christopher Lamer**

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INTRODUCTORY SECTION

October 24, 2025

Members of the Board and Citizens of the
Ottawa Area Intermediate School District:

The Annual Comprehensive Financial Report of the Ottawa Area Intermediate School District (OAISD) for the fiscal year ended June 30, 2025, is submitted herewith. The financial statements included in this report have been audited by Maner Costerisan, an independent firm of certified public accountants. The report is prepared for the purpose of disclosing the OAISD's financial condition to its residents, elected officials, and other interested parties.

The report is comprised of three sections. The *Introductory Section* includes the table of contents, letter of transmittal, and organizational data. The *Financial Section* includes the Independent Auditor's Opinion, the Management Discussion and Analysis, Basic Financial Statements, Notes to the Financial Statements and the Combining and Individual Fund Statements and Schedules. The *Statistical Section* includes tables that reflect economic and financial data and trends, together with the current fiscal capacity of the County.

The *Notes to Financial Statements* are considered to be an integral part of the report and should be read for a more complete understanding of the statements and information presented therein.

The financial statements have been prepared in compliance with applicable State statutes and Generally Accepted Accounting Principles (GAAP) as stated in the Governmental Accounting Standards Board statements and interpretations. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the OAISD. We believe the data, as presented, is accurate in all material aspects, and that it is presented in such a manner as to fairly set forth the financial position and results of operations of the OAISD as measured by the financial activity of its funds.

The independent audit of the financial statements of the OAISD was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements required the independent auditor to report not only on the fair presentation of the financial statements, but also on the OAISD's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the OAISD's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The OAISD's MD&A can be found immediately following the report of the independent auditor.

Budget controls are maintained at a *Function* level within the general and special revenue funds. A function is most often the highest hierarchy level within a fund, such as a program. From an expenditure control perspective, a function is restricted by its total budgeted appropriation. Expenditure accounts within a functional budget are not controlled at the line-item *Object* level, but rather in summary at the function level.

History & Services

OAISD was established in 1962 as a regional educational service agency mandated by the legislature to provide services and programs which enhance efficiency and economy to local school districts, as well as compile statistical data about local schools for the state. OAISD is one of 56 Intermediate School Districts in the state of Michigan, and encompasses regional special education, career/technical education, and general education services. OAISD and its member schools serve over 50,000 students ages 0-26 throughout Ottawa and parts of Allegan and Muskegon Counties. OAISD has taken the District to the next level by providing a dynamic and responsive relationship with its local school districts, public school academies, non-public schools and other community and business partners. In fact, the needs of our customers actually define the OAISD. Driven by its vision and mission to enhance the educational effectiveness, efficiency, and success of students, schools, and communities, the OAISD has established a strategic focus designed to meet the unique needs of its diverse client base.

OAISD is an independent school district that is governed by a five-member Board of Education. The Board of Education is elected by representatives from the constituent local school boards within OAISD territory. The school board members are officers who carry out the state's educational obligations. They are responsible for developing long-range goals, establishing policy, designating a superintendent, adopting and amending operating budgets, evaluating school programs and curriculum, staffing, among many other tasks. Thanks to the sound management by the Board, the District continues to be financially stable, including high credit ratings, low interest rates, and healthy fund equity.

The OAISD, which encompasses nearly all of the geographic territory of Ottawa County, approximately 14,300 parcels of property in northern Allegan County and 1,500 parcels of property in southern Muskegon County, serves eleven public school districts and seven public school academies. The eleven districts are Allendale Public Schools, Coopersville Public Schools, Grand Haven Area Public Schools, Hamilton Community Schools, Holland Public Schools, Hudsonville Public Schools, Jenison Public Schools, Saugatuck Public Schools, Spring Lake Public Schools, West Ottawa Public Schools, and Zeeland Public Schools. The seven academies are Black River Public School, Eagle Crest Academy, iCademy, Innocademy, Vanderbilt Academy, Walden Green Day School, and West Michigan Academy of Arts and Academics. Total enrollment within the OAISD is approximately 47,500 students. Additionally, services are available to those non-public schools within the OAISD that meet the reporting requirements of the State. Pupils in these schools number approximately 6,500. The projected enrollment is anticipated to remain steady with no significant changes in the future.

OAISD operates and houses services and programs at eleven facilities. While undergoing the current expansion project, the administration offices are temporarily located within the Careerline Tech Center – West facility. Primarily housing consultant and support services which include business services, communications and marketing, governmental relations, health education and promotion, human resources, instructional services, technology and media services.

Special Needs Services include classroom programs for students with moderate to severe mental impairments housed at the district-owned **Ottawa Area Center**. An infant development program is offered at multiple leased locations with the main location at City on a Hill in Zeeland. District-owned **Sheldon Pines School** provides classroom programming for students with severe emotional impairments. Early Childhood Autistic Impairment programs are operated at Ottawa Area Center, Holland Public School District and Spring Lake Public School District. The OAISD also operates Young Adult Services instruction programs for students with minimal to moderate mental impairments at the two district owned sites, **Felch Street** in Holland and the **Elliott Avenue** building in Grand Haven, along with leased sites in Coopersville and Hudsonville. Along with these programs, the OAISD coordinates and supports special needs services, special education delivery systems, and provides technical and legal support in the area of special education and truancy.

Career and Technical Education services provide leadership to local school districts, business and industry, and the community. The district-owned **Careerline Tech Center – West and Careerline Tech Center – East** provides junior and senior students education through career technical courses. Post-secondary training is offered at the district-owned **Patrick A. Thompson M-TEC**, beginning in 2025-26 school year, M-TEC will be moving into the Careerline Tech Center - East. The OAISD also offers work-based learning services and leadership to local schools, business and industry, and community in support of career planning and preparation.

During the 2025-26 school year, the current Patrick A. Thompson M-TEC will begin a major renovation project to be converted to the **Learning and Leading Commons**, which will host all of the administration offices and a conference center to support professional development of all educators within the region. Anticipated completion of this renovation is in the Spring of 2028. OAISD also owns the **Roerink Knoll** Facility, which is a former Young Adult Services Site. This facility is being used as a storage site while the construction projects are occurring, and the plan is to sell it once those projects are completed.

The eight District-owned buildings range in age from 24 to 93 years, but with continuous routine maintenance, renovations and upgrades, the buildings are structurally sound and in excellent condition. The District maintains a 3-year capital plan that is reviewed and updated annually. The plan ensures necessary improvements and upgrades are made in a timely manner and within budget for the facilities and equipment.

Local Economy

Intermediate Schools Districts (ISDs) are funded from revenue received from local, state and federal sources. The district budgets annually for all funds, evaluating the projected revenues for each fund. In Michigan, ISD's are funded primarily on a property tax model, and local districts are funded on an enrollment model. Ottawa Area ISD is supported by a strong tax base and the residents have approved adequate millages to ensure financial stability for the foreseeable future.

The general fund millage rate is a set portion of the Ottawa County allocated millage to support the Townships, County, and ISD. In November of 2018, the voters approved the allocated millage rates, setting the OAISD millage rate at 0.1220 mills. This millage rate is reduced annually by the Headlee Rollback formula, resulting in a 2024-25 levy of 0.1164 mills. The revenue received is used for the operation of all the OAISD programs, except cooperative education, special education, and vocational education, but the general fund can assist with the costs of these other funds. A Headlee rollback occurs if the county's assessed value of real and personal property in the taxing jurisdiction exceeds the inflation rate, the authorized millage rate is reduced to the rate of inflation.

ISDs are given the authority to implement and finance career technical education programs. In fiscal year 2024-25, OAISD was authorized to levy 1.2000 mills but only levied 0.9846 mills due to Headlee rollback.

ISDs are also required to provide special education programs for its constituent districts. In fiscal year 2024-25, the OAISD was authorized to levy 4.3750 mills but only levied 4.1336 mills due to Headlee rollback. In May of 2025, the voters approved a renewal of the 2007 special education levy of 1.2425 mills, along with an additional 0.5000 mills to replace the millages reduced by the Headlee Rollback formula.

In November of 2018, voters approved an enhancement millage, a special assessment to support the efforts of the local districts and charter schools to maintain programming offered. In 2024-2025, the OAISD was authorized to levy 0.9000 mills but only levied 0.8616 mills due to Headlee rollback. This equated to additional funding of approximately \$341 per student passed on to each local district and charter school within the OAISD boundaries.

Given that OAISD is significantly dependent on local property tax revenue from operating millage, the health of Ottawa County is very essential to monitor. Fortunately, Ottawa County is showing many positive economic indicators, suggesting that the growth in the area will continue. The county continues to see a strong real estate market with increasing home values. According to County of Ottawa, the taxable value on the Ad-Valorem Roll increased 9.2 percent in 2024. Also, Ottawa County's unemployment rate increased slightly to 4.3 percent in June, 2025, which is slightly lower than the State of Michigan's rate of 4.7 percent.

Ottawa County continues to see significant increase in the number of jobs in both architecture and engineering, battery manufacturing and food preparation and serving, diversifying the job market from the traditional manufacturing sectors. Ottawa County has, and continues to be, a major producer of office furniture as well. With this diversification of job opportunities, the local economy of Ottawa County continues to be very strong.

Initiatives Undertaken by the District

The OAISD board has worked on several initiatives to enhance the quality of education and maximize the effectiveness of services to our districts. They are as follows:

The **Ottawa Area Secure Schools Network (OASSN)** unites education, public safety, and health partners across Ottawa County and northern Allegan County to strengthen regional safety and security for K-12 institutions. OASSN hosts biannual summits addressing key preparedness mission areas—prevention, protection, response, mitigation, and recovery—and recently launched seven cross-functional Collaboration Teams focused on Physical & Mental Health, Facilities, Transportation, Planning & Training, Policy & Legal, Communications, and Information & Communication Technology. Participants include all local districts, public school academies, private schools, law enforcement (including the FBI), fire and rescue, EMS, hospitals, and other community partners working together to make schools safer and more resilient.

The **Careerline Tech Center Expansion Project** is a construction project being planned to increase the capacity of the tech center so that all students who desire to attend will be given the opportunity. Currently, there is a waiting list for students to enroll, and that list grows every year. Another component of this expansion includes developing new programs for future careers.

The **General Education Instructional Services Department** and the **Special Education Department** have worked to integrate the support and services offered within our programs and our local districts around Multi-Tiered System of Support (MTSS) framework.

Young Adult Services provided programming and services to 229 students ages 18-26. With 19 classrooms engaged within five communities, the students access opportunities, ride public transportation, and contribute to the communities through employment, volunteering, and learning to be active members of the communities where they live. Most students participate in two work-based learning opportunities during the year, some of which earn paid employment. Nearly 150 businesses partner to provide these opportunities, including Herman Miller, Gentex, Tiara Yachts, Hope College, Red Robin, John A. Van Den Bosch Co. and a wide variety of local businesses across the region.

The **Technology Services Department** received a \$4.6 million dollar grant to create a Cyber Security Center that helps protect staff and student data as well as the systems the district rely on for daily operations. This grant supports both the ISD, and the local districts we serve, including Allendale, Black River, Coopersville, Grand Haven, Hamilton, Holland, Hudsonville, Jenison, OAISD, Saugatuck, Spring Lake, West Michigan Academy of Arts and Academics and Oakridge Public School district in Muskegon county.

For more information on the key initiatives of the OAISD, we invite you to view our website at www.oaisd.org.

Awards/Recognition

College scholarships funded by gifts to the OAISD, as well as employee fundraising, were awarded to Careerline Tech Center students. 59 scholarships were awarded totaling \$238,009. Fields of study for these students are diesel mechanics, healthcare, culinary, engineering, natural sciences, and mechatronics/robotics. Also funded by gifts to OAISD are scholarships awarded to adult learners for course enrollment at Thompson M-TEC.

ASBO Certificate of Achievement: The Association of School Business Officials International (ASBO) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the OAISD for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This is the *twenty-third consecutive year* that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a District must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR), whose contents conform to program standards. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

Acknowledgment

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Business Services Department. We would like to express our gratitude to the members of the OAISD Board of Education for their interest and support in planning and conducting financial operations of the District in a responsible and progressive manner.

Sincerely,

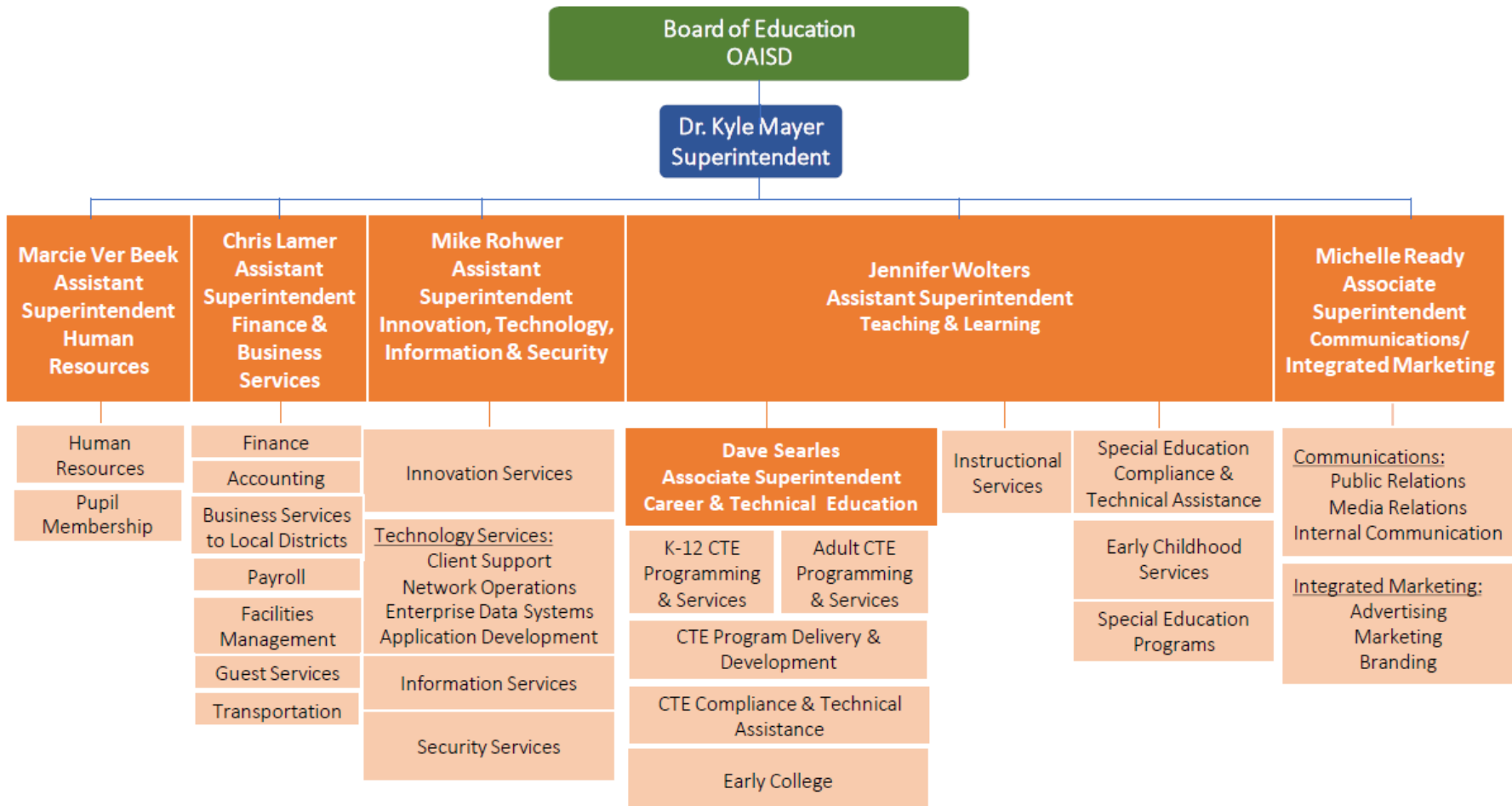
A handwritten signature in black ink, appearing to read "Chris Lamer", with a stylized, flowing script.

Chris Lamer

Chief Financial Officer



Organizational Chart
January 2025



**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2025**

BOARD OF EDUCATION

Randy Schipper	President
Rick Dernberger	Vice-President
Robyn Afrik	Secretary
Pete Haines	Trustee
Marc Eickholt	Treasurer

SUPERINTENDENT'S COUNCIL

Kyle Mayer	Superintendent
Jen Wolters	Assistant Superintendent for Teaching and Learning
Marcie Ver Beek	Assistant Superintendent of HR & Title IX Coordinator
Chris Lamer	Chief Financial Officer
Michael Rohwer	Assistant Superintendent of Information. Technology, Innovation & Security
David Searles	Associate Superintendent of Career Technical Education
Michelle Ready	Director of Communications & Integrated Marketing



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Ottawa Area Intermediate School District
for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Ottawa Area Intermediate School District

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Ottawa Area Intermediate School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ottawa Area Intermediate School District 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 14 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*. Our opinion are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Ottawa Area Intermediate School District's 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 Ottawa Area Intermediate School District's 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 Ottawa Area Intermediate School District's 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, 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 Ottawa Area Intermediate School District's 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 Information - (Annual Comprehensive Financial Reporting)

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2025 on our consideration of Ottawa Area Intermediate School District's 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 Ottawa Area Intermediate School District's 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 Ottawa Area Intermediate School District's internal control over financial reporting and compliance.

Manes Costeiran PC

October 24, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Ottawa Area Intermediate School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$12,685,181 (*net position*). Of this amount, \$(45,966,394) is (*unrestricted net position*).
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$72,584,553, a decrease of \$1,183,422 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,369,168, or 6.74% of total general fund expenditures.
- Investments for the future were made by the spending of approximately \$17,901,805 on school improvements, vehicles, and equipment.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the District's assets, deferred outflows, deferred inflows and liabilities, with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements display functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The activities of the District include instruction, supporting services, community services and transfers to locals.

The government-wide financial statements page numbers can be found in the table of contents.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District fall within the governmental fund type category.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental information presented for *governmental activities* in the government-wide financial statements. By doing fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general, special education special revenue fund, regional vocational education special revenue fund, cooperative special revenue fund, 2023 bond construction fund, and capital projects fund, each of which is considered to be a major fund. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found in the table of contents.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements pages numbers can be found in the table of contents.

Required Supplementary Information. The District adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets. The required supplementary information also contains the required pension and OPEB related information. The required supplementary information page numbers can be found in the table of contents.

Additional Supplementary Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining fund statement page numbers can be found in the table of contents.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$12,685,181 at the close of the most recent fiscal year.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment), less any related debt used to acquire those assets that are still outstanding and the next largest portion reflects net position available for special education purposes. The District uses these capital assets to provide services to the students and local school districts it serves; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

District's Net Position

	Governmental Activities	
	2025	2024*
ASSETS		
Current and other assets	\$ 104,048,343	\$ 100,347,786
Net postemployment benefits asset	14,597,674	1,963,035
Capital assets, net	<u>53,968,455</u>	<u>38,841,012</u>
TOTAL ASSETS	<u>172,614,472</u>	<u>141,151,833</u>
DEFERRED OUTFLOWS	<u>30,556,555</u>	<u>41,381,075</u>
LIABILITIES		
Current liabilities	31,660,165	26,678,790
Long-term liabilities	27,754,119	26,945,615
Net pension liability	<u>84,059,068</u>	<u>109,632,693</u>
TOTAL LIABILITIES	<u>143,473,352</u>	<u>163,257,098</u>
DEFERRED INFLOWS	<u>47,012,494</u>	<u>33,799,970</u>
NET POSITION		
Investment in capital assets	43,703,246	34,629,053
Restricted	14,948,329	2,298,072
Unrestricted	<u>(45,966,394)</u>	<u>(51,451,285)</u>
TOTAL NET POSITION	<u>\$ 12,685,181</u>	<u>\$ (14,524,160)</u>

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

The remaining balance of *unrestricted net position* may be used to meet the District's ongoing obligations to its general programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

District's Changes in Net Position

	2025	2024*
REVENUES		
Program revenue		
Charges for services	\$ 7,810,783	\$ 6,238,157
Operating grants and contributions	79,932,204	70,992,293
General revenues		
Property taxes	114,316,755	106,304,563
State school aid	1,786,713	1,786,713
Other	5,183,740	5,475,585
TOTAL REVENUES	209,030,195	190,797,311
EXPENSES		
Instruction	20,846,913	22,552,648
Supporting services	46,928,766	61,840,773
Community services	766,206	623,061
Transfers to locals and other services	108,038,382	94,273,726
Student/school activities	135,429	133,182
Interest on long-term debt	1,285,146	997,955
Unallocated depreciation	2,774,362	1,999,056
TOTAL EXPENSES	180,775,204	182,420,401
Change in net position	<u><u>\$ 28,254,991</u></u>	<u><u>\$ 8,376,910</u></u>
Net position, end of year	<u><u>\$ 12,685,181</u></u>	<u><u>\$ (14,524,160)</u></u>

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

Governmental Activities. Net position increased by \$28,254,991. Key elements of this increase are as follows:

Revenue increased 9.56% in 2024-2025. The increases are primarily due to the following:

- Property tax revenue increased approximately 7.5%. This is consistent with the increase in taxable values.
- Charges for services increased 25.2%. This is due to the sale of the building trades house and increased Medicaid revenue.
- Increase in instructional and supporting services operational grants.

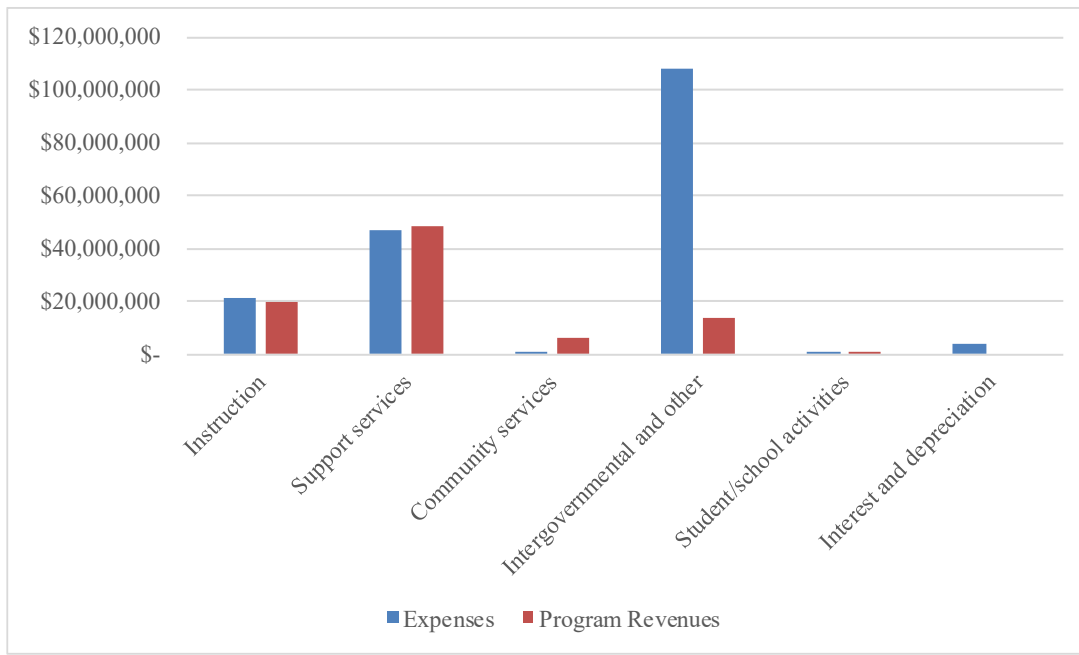
Expenses decreased 1.07% in 2024-2025. The decreases are primarily due to the following:

- Instructional expenses decreased approximately \$1.7 million due to the reduction in pension and OPEB liability.
- Supporting services increased approximately \$15 million, also due to the reduction in pension and OPEB liability.

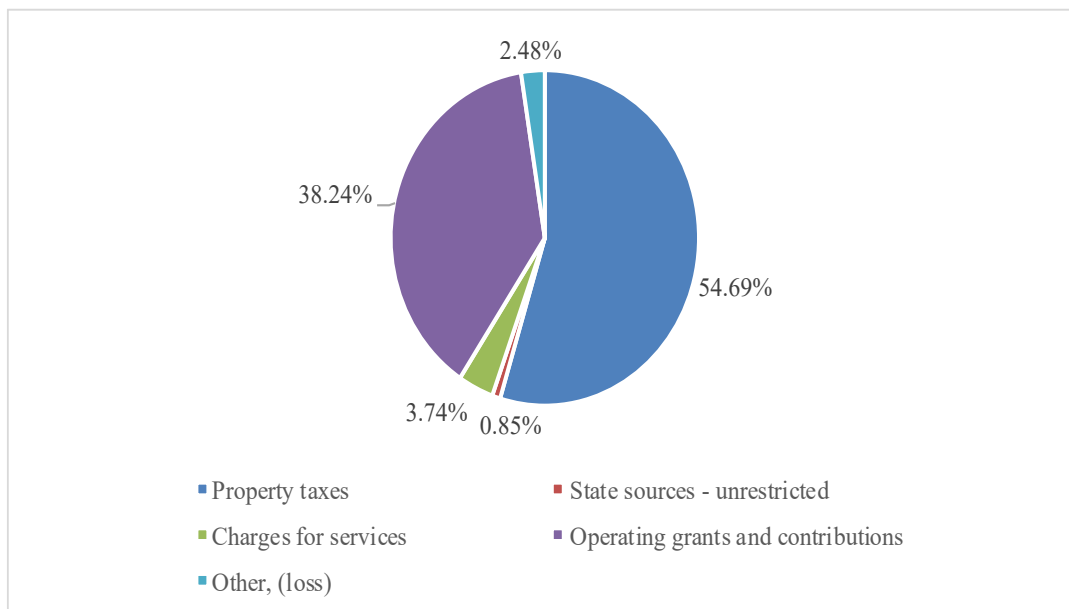
MANAGEMENT'S DISCUSSION AND ANALYSIS

- Transfers to locals and other services increased approximately \$13.7 million, due primarily to the formulas used for the payouts that are distributed to the local school districts.

Expenses and Program Revenue - Governmental Activities



Revenues by Source - District Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,369,168. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 6.74% of total general fund expenditures.

The fund balance of the District's general fund increased by \$457,950 during the current fiscal year. The largest revenue source in this fund is state revenues. Expenditures consist primarily of costs associated with supporting the District's and local district operations. The general fund operated at a balanced budget.

The special education special revenue fund has a total fund balance of \$13,085,671 which decreased by \$5,736,910 from the prior year. These resources are restricted for special education programs either administered directly by the District or by the local districts within the ISD's boundaries. The largest portion of this fund's revenue comes from property taxes, while the largest expenditure is transfers to local districts for the programs they operate. The decrease in the special education fund was planned and largely due to capital projects.

The regional vocational education special revenue fund has a total fund balance of \$6,375,706 which decreased by \$1,698,809 from the prior year. These resources are restricted for vocational education purposes. The vocational education fund recognized a decrease in fund balance due mainly to changes in capital projects.

The cooperative special revenue fund has a total fund balance of \$1,149,316 which decreased by \$25,585 from the prior year. These resources are restricted for shared services with local education agencies. The cooperative fund recognized a decrease in fund balance due mainly to changes in capital projects.

Budgetary Highlights

Differences between the original and final amended budgets were caused by:

- Changes in capital expenditures
- Adjustments in interest income
- Additional revenue as a result of grant and state aid adjustments
- Employee compensation was updated to reflect staffing changes

Differences between the final amended budgets and actual results were caused by:

- Additional Medicaid revenue.
- Increase in interest income.
- Revenue changes as a result of grant adjustments.
- Capital project expenditure changes due to CTC expansion plans.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental type activities as of June 30, 2025, amounted to \$53,968,455 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, and equipment.

Major capital asset events during the current fiscal year included the following:

- Construction on Felch Street property.
- Building purchase for YAS program (Georgetown).
- New security gates for CTC West.
- Improved HVAC system controls for entire District.

District's Capital Assets (Net of Depreciation) June 30, 2025 and 2024

	2025	2024
Land	\$ 4,400,451	\$ 2,823,825
Intangible assets - access rights	875,826	875,826
Construction in progress	17,538,844	13,316,860
Buildings and structures	26,301,926	16,094,877
Land improvements	1,861,775	2,022,724
Right to use - subscription based IT	125,784	188,677
Furniture and equipment	2,863,849	3,518,223
Total	<u>\$ 53,968,455</u>	<u>\$ 38,841,012</u>

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-term Obligations. The long-term general obligations totaled \$27,284,936 as of June 30, 2025.

Additional information on the District's long-term obligations can be found in Note 6 to the financial statements.

Factors Bearing on the District's Future

- Expanded programming to meet the needs of the community.
- Unfunded pension obligations.
- Continued economic pressuring within the State and Region.
- Cost of living in the region is increasing significantly, putting pressure on the District to increase wages to attract and retain staff.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 13663 Port Sheldon Street, Holland, Michigan, 49424.

BASIC FINANCIAL STATEMENTS

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 23,378,955
Investments	61,334,049
Receivables	
Accounts receivable	2,125,876
Interest receivable	197,148
Intergovernmental	15,823,732
Inventories	465,638
Prepays	722,945
Net other postemployment benefits asset	14,597,674
Capital assets not being depreciated/amortized	22,815,121
Capital assets, net of accumulated depreciation/amortization	<u>31,153,334</u>
TOTAL ASSETS	<u>172,614,472</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension	26,542,404
Related to OPEB	<u>4,014,151</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>30,556,555</u>
LIABILITIES	
Accounts payable	3,081,230
Accrued salaries and related items	1,921,138
Accrued retirement	1,270,067
Accrued interest	196,375
Intergovernmental payable	10,916,065
Unearned revenue	14,275,290
Noncurrent liabilities	
Due within one year	578,401
Due in more than one year	26,706,535
Arbitrage liability	469,183
Net pension liability	<u>84,059,068</u>
TOTAL LIABILITIES	<u>143,473,352</u>
DEFERRED INFLOWS OF RESOURCES	
Related to pension	23,381,143
Related to OPEB	19,001,310
Related to state aid funding for pension	<u>4,630,041</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>47,012,494</u>
NET POSITION	
Net investment in capital assets	43,703,246
Restricted nonexpendable endowment corpus	250,000
Restricted expendable endowment earnings	100,655
Restricted for net other postemployment benefits	14,597,674
Unrestricted	<u>(45,966,394)</u>
TOTAL NET POSITION	<u>\$ 12,685,181</u>

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 20,846,913	\$ 234,324	\$ 19,198,232	\$ (1,414,357)
Supporting services	46,928,766	1,327,833	47,043,181	1,442,248
Community services	766,206	6,248,626	19,016	5,501,436
Intergovernmental expenses and other	108,038,382	-	13,543,559	(94,494,823)
Student/school activities	135,429	-	128,216	(7,213)
Interest on long-term debt	1,285,146	-	-	(1,285,146)
Unallocated depreciation/amortization*	2,774,362	-	-	(2,774,362)
Total governmental activities	<u>\$ 180,775,204</u>	<u>\$ 7,810,783</u>	<u>\$ 79,932,204</u>	<u>(93,032,217)</u>
General revenues				
Property taxes, levied for general purposes				2,182,927
Property taxes, levied for special education				77,494,888
Property taxes, levied for vocational education				18,458,836
Property taxes, levied for enhancement fund				16,180,104
Investment earnings				5,050,863
State sources - unrestricted				1,786,713
Other				132,877
Total general revenues				<u>121,287,208</u>
CHANGE IN NET POSITION				<u>28,254,991</u>
NET POSITION, beginning of year as previously presented				(14,524,160)
Adjustment to beginning net position				<u>(1,045,650)</u>
NET POSITION, beginning of year as restated				<u>(15,569,810)</u>
NET POSITION, end of year				<u>\$ 12,685,181</u>

* Unallocated depreciation/amortization includes 100% of depreciation/amortization expense. No depreciation/amortization is allocated to various activities.

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

		Special Revenue						
	General Fund	Special Education Fund	Vocational Education Fund	Cooperative Fund	2023 Bond Construction	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 697,782	\$ 1,093,364	\$ 955,252	\$ 360,118	\$ 16,976,311	\$ 3,019,054	\$ 277,074	\$ 23,378,955
Investments	19,072,304	13,125,500	6,277,252	-	-	22,508,707	350,286	61,334,049
Receivables								
Accounts receivable	34,642	22,057	120,714	1,941,393	-	-	7,070	2,125,876
Interest	17,468	101,230	21,058	-	-	57,392	-	197,148
Intergovernmental	6,039,078	9,079,406	659,511	45,737	-	-	-	15,823,732
Due from other funds	-	-	-	-	-	6,000,000	-	6,000,000
Inventories	-	-	465,638	-	-	-	-	465,638
Prepays	116,575	346,382	186,597	73,391	-	-	-	722,945
TOTAL ASSETS	\$ 25,977,849	\$ 23,767,939	\$ 8,686,022	\$ 2,420,639	\$ 16,976,311	\$ 31,585,153	\$ 634,430	\$ 110,048,343
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 115,915	\$ 374,446	\$ 159,065	\$ 27,390	\$ 1,740,593	\$ 647,298	\$ 16,523	\$ 3,081,230
Accrued salaries and related items	87,922	1,049,259	721,387	62,570	-	-	-	1,921,138
Accrued retirement	167,728	647,865	345,320	109,154	-	-	-	1,270,067
Intergovernmental payable	6,361,815	4,403,193	83,544	67,513	-	-	-	10,916,065
Due to other funds	-	4,000,000	1,000,000	1,000,000	-	-	-	6,000,000
Unearned revenue	14,062,089	207,505	1,000	4,696	-	-	-	14,275,290
TOTAL LIABILITIES	20,795,469	10,682,268	2,310,316	1,271,323	1,740,593	647,298	16,523	37,463,790
FUND BALANCES								
Nonspendable								
Prepays	116,575	346,382	186,597	73,391	-	-	-	722,945
Endowment corpus	-	-	-	-	-	-	250,000	250,000
Inventories	-	-	465,638	-	-	-	-	465,638

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

	General Fund	Special Revenue			2023 Bond Construction	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
		Special Education Fund	Vocational Education Fund	Cooperative Fund				
LIABILITIES AND FUND BALANCES (concluded)								
FUND BALANCES (concluded)								
Restricted								
Endowment earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,655	\$ 100,655
Debt service	-	-	-	-	-	-	22,026	22,026
Special education	-	12,739,289	-	-	-	-	-	12,739,289
Vocational education	-	-	5,723,471	-	-	-	-	5,723,471
Cooperative services	-	-	-	1,075,925	-	-	-	1,075,925
Capital projects	-	-	-	-	15,235,718	-	-	15,235,718
Committed for student/school activities	-	-	-	-	-	-	245,226	245,226
Assigned								
Compensated absences	1,784,009	-	-	-	-	-	-	1,784,009
Subsequent year expenditures	912,628	-	-	-	-	-	-	912,628
Capital projects	-	-	-	-	-	30,937,855	-	30,937,855
Unassigned	2,369,168	-	-	-	-	-	-	2,369,168
TOTAL FUND BALANCES	5,182,380	13,085,671	6,375,706	1,149,316	15,235,718	30,937,855	617,907	72,584,553
TOTAL LIABILITIES AND FUND BALANCES	\$ 25,977,849	\$ 23,767,939	\$ 8,686,022	\$ 2,420,639	\$ 16,976,311	\$ 31,585,153	\$ 634,430	\$ 110,048,343

Total governmental fund balances

\$ 72,584,553

Amounts reported for governmental activities in the statement of net position are different because:

Deferred outflow of resources - related to pension	26,542,404
Deferred outflow of resources - related to OPEB	4,014,151
Deferred inflow of resources - related to pension	(23,381,143)
Deferred inflow of resources - related to OPEB	(19,001,310)
Deferred inflow of resources - related to state pension funding	(4,630,041)

Some assets are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.

Noncurrent assets at year-end consist of:

Net other postemployment benefits asset	14,597,674
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Capital assets used in governmental activities are not financial resources and are not reported in the funds:

The cost of the capital assets not being depreciated/amortized is	\$ 22,815,121
The cost of the capital assets being depreciated/amortized is	54,497,280
Accumulated depreciation/amortization is	<u>(23,343,946)</u>
	53,968,455

Long-term obligations are not due and payable in the current period and are not reported in the funds:

Bonds payable	(25,500,927)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid	(196,375)
Compensated absences	(1,784,009)
Arbitrage liability	(469,183)
Net pension liability	<u>(84,059,068)</u>

Net position of governmental activities

\$ 12,685,181

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

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	Special Revenue							
	General Fund	Special Education Fund	Vocational Education Fund	Cooperative Fund	2023 Bond Construction	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES								
Local sources								
Property taxes	\$ 2,182,927	\$ 77,494,888	\$ 18,458,836	\$ -	\$ -	\$ -	\$ 16,180,104	\$ 114,316,755
Tuition	-	-	806,321	-	-	-	-	806,321
Investment earnings	452,939	1,429,538	658,807	-	928,827	1,543,107	37,645	5,050,863
Student/school activities	-	-	-	-	-	-	128,216	128,216
Other	792,074	4,219,941	1,004,079	929,413	-	191,832	-	7,137,339
Total local sources	3,427,940	83,144,367	20,928,043	929,413	928,827	1,734,939	16,345,965	127,439,494
State sources	27,845,100	23,534,401	4,162,160	654,130	-	-	-	56,195,791
Federal sources	2,314,331	14,113,744	451,580	-	-	-	-	16,879,655
Intergovernmental revenues	119,922	37,522	31,560	6,042,811	-	-	-	6,231,815
TOTAL REVENUES	33,707,293	120,830,034	25,573,343	7,626,354	928,827	1,734,939	16,345,965	206,746,755
EXPENDITURES								
Current								
Instruction	4,007	13,578,282	10,708,123	-	-	-	-	24,290,412
Supporting services	14,412,223	26,022,478	9,004,160	10,632,757	-	-	135,429	60,207,047
Community service activities	707,591	3,379	-	180,057	-	-	-	891,027
Interdistrict transactions	-	-	-	-	-	-	16,080,652	16,080,652
Capital outlay	-	-	-	-	7,437,010	3,865,930	-	11,302,940
Debt service								
Principal repayment	-	-	-	-	-	-	380,000	380,000
Interest	-	-	-	-	-	-	1,187,750	1,187,750
Other	-	-	-	-	993	-	-	993
Intergovernmental expenditures	20,025,929	73,389,856	173,571	-	-	-	-	93,589,356
TOTAL EXPENDITURES	35,149,750	112,993,995	19,885,854	10,812,814	7,438,003	3,865,930	17,783,831	207,930,177

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

		Special Revenue						
	General Fund	Special Education Fund	Vocational Education Fund	Cooperative Fund	2023 Bond Construction	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,442,457)</u>	<u>\$ 7,836,039</u>	<u>\$ 5,687,489</u>	<u>\$ (3,186,460)</u>	<u>\$ (6,509,176)</u>	<u>\$ (2,130,991)</u>	<u>\$ (1,437,866)</u>	<u>\$ (1,183,422)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	6,027,499	99,452	-	3,221,256	-	14,429,668	1,567,749	25,345,624
Transfers out	<u>(4,127,092)</u>	<u>(13,672,401)</u>	<u>(7,386,298)</u>	<u>(60,381)</u>	<u>-</u>	<u>-</u>	<u>(99,452)</u>	<u>(25,345,624)</u>
TOTAL OTHER FINANCINGS SOURCES (USES)	<u>1,900,407</u>	<u>(13,572,949)</u>	<u>(7,386,298)</u>	<u>3,160,875</u>	<u>-</u>	<u>14,429,668</u>	<u>1,468,297</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	457,950	(5,736,910)	(1,698,809)	(25,585)	(6,509,176)	12,298,677	30,431	(1,183,422)
FUND BALANCES								
Beginning of year	<u>4,724,430</u>	<u>18,822,581</u>	<u>8,074,515</u>	<u>1,174,901</u>	<u>21,744,894</u>	<u>18,639,178</u>	<u>587,476</u>	<u>73,767,975</u>
End of year	<u>\$ 5,182,380</u>	<u>\$ 13,085,671</u>	<u>\$ 6,375,706</u>	<u>\$ 1,149,316</u>	<u>\$ 15,235,718</u>	<u>\$ 30,937,855</u>	<u>\$ 617,907</u>	<u>\$ 72,584,553</u>

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
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 **\$ (1,183,422)**

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

Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation/amortization:

Depreciation/amortization expense	(2,774,362)
Capital outlay	17,901,805

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

Accrued interest payable, beginning of the year	98,979
Accrued interest payable, end of the year	(196,375)

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:

Arbitrage liability	(239,457)
Payments on debt	380,000
Amortization of bond premium	75,926

Compensated absences 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, beginning of the year, as restated	1,804,686
Accrued compensated absences, end of the year	(1,784,009)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Pension related items	6,400,075
OPEB related items	5,487,705

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 for pension, beginning of year	6,913,481
State aid funding for pension, end of year	<u>(4,630,041)</u>

Change in Net Position of Governmental Activities **\$ 28,254,991**

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Ottawa Area Intermediate School District 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. Separate financial statements are provided for 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. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following *Major Governmental Funds*:

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

The *Special Education Fund* accounts for revenue sources that are legally restricted to expenditures for special education.

The *Vocational Education Fund* accounts for revenue sources that are legally restricted to expenditures for career services and technical education.

The *Capital Projects Fund* accounts for the accumulation of resources and construction/purchase of construction/capital assets.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (concluded)

Major Governmental Funds (concluded):

The *2023 Bond Construction Fund* accounts for capital project activities funded with bonds. For this capital project, the District has complied with bond documents.

	<u>2023 Bond Construction</u>
Revenues and other financing sources	<u>\$ 28,725,882</u>
Expenditures and other financing uses	<u>\$ 13,490,164</u>

The *Cooperative Fund* accounts for revenue sources that result from shared services with local educational agencies.

The District reports the following *Other Nonmajor Funds*:

The *Special Revenue - Enhancement Fund* accounts for revenue sources that result from local tax collections and disbursed to local education agencies.

The *Special Revenue - Student/School Activities* fund accounts for revenue sources and disbursements that result from student and school activity accounts.

The *Debt Service - 2023 Bond Construction* fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Permanent Fund* is accounted for using the accrual method of accounting. It is used to account for monies held in a perpetual trust, the earnings of which may be used for specified educational purposes. At June 30, 2025, there was \$100,655 available for expenditure. Expenditure of interest income is governed by a three-member committee which is appointed by the Board of Education.

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. 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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC 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, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

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

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

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

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

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

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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (concluded)

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 fund is 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 (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

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

- a. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund and major special revenue funds 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 supplemental appropriations, the last one approved prior to year-end June 30, 2025. Although the district does consider these amendments to be significant, they were deemed necessary due to considerable uncertainty at the time the original budget was adopted.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 Prepaids

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.

Inventories of the vocational education fund are comprised principally of land held for resale and a house held for resale. As a result, these amounts are not considered non-spendable fund balance.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Inventories and Prepaids (concluded)

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

Capital Assets

Capital assets, which include property, plant, equipment, and transportation vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. Group purchases are evaluated on a case-by-case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

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

<u>Capital Asset Classes</u>	<u>Lives</u>
Land improvements	5 - 20 Years
Right to use - subscription-based IT	5 Years
Buildings and structures	45 Years
Furniture and other equipment	5 - 20 Years

Defined Benefit Plan

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. They are the pension and other postemployment benefit 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.

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 three items that qualify for reporting in this category. The first is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period. The second and third 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.

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance Policies (concluded)

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 has by resolution authorized the superintendent or their designee to assign fund balance. 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.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Subscription-based IT Arrangements (SBITA)

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

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

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

- The District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITA.
- The SBITA term includes the noncancelable period of the lease/subscription. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Subscription-based IT Arrangements (SBITA) (concluded)

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

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

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 December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due date is February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

Property taxes receivable are recorded net of allowances for uncollectible taxes.

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

<u>Fund</u>	<u>Mills</u>
General fund	0.1164
Special revenue funds	
Special education fund	4.1336
Vocational education fund	0.9846
Enhancement fund	0.8616

Compensated Absences

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Revenues and Expenditures/Expenses (concluded)

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. Three major funds are utilized to liquidate long-term liabilities other than debt. 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 expenses in the year in which they are incurred.

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

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 to it. As of June 30, 2025, \$23,994,663 of the District's bank balance of \$24,251,995 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying amount is \$23,378,955.

Concentration of Credit Risk - Investments

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.

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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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 - MAX	\$ 19,544,791	N/A
MILAF External Investment Pool - CMC	151,921	N/A
MILAF External Investment Pool - TERM	5,000,000	0.1781
Invesco Premier U.S. Government Money Portfolio	350,286	0.0849
Invesco Government & Agency Portfolio	15,590,945	0.0849
US Treasury Bonds/Notes	18,170,722	1.7700
Federal Agency Mortgage - Backed Security	935,484	6.8729
Federal Agency Commercial Mortgage-Backed Securities	708,424	0.9083
Federal Agency Collateralized Mortgage Obligation	281,966	7.8772
Federal Agency Bonds/Notes	599,510	0.0877
Total fair value	<u>\$ 61,334,049</u>	
Portfolio weighted average maturity		<u>1.0508</u>

One day maturity equals 0.0027, one year equals 1.00.

Concentration of Credit Risk

The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Investment Type	Fair Value	Rating	Rating Agency
MILAF External Investment Pool - MAX	\$ 19,544,791	AAAm	Standard & Poor's
MILAF External Investment Pool - CMC	151,921	AAAm	Standard & Poor's
MILAF External Investment Pool - TERM	5,000,000	AAAf	Fitch
Invesco Premier U.S. Government Money Portfolio	350,286	AAAm	Standard & Poor's
Invesco Government & Agency Portfolio	15,590,945	AAAm	Standard & Poor's
US Treasury Bonds/Notes	18,170,722	AA+	Standard & Poor's
Federal Agency Mortgage - Backed Security	935,484	AA+	Standard & Poor's
Federal Agency Commercial Mortgage-Backed Securities	708,424	AA+	Standard & Poor's
Federal Agency Collateralized Mortgage Obligation	281,966	AA+	Standard & Poor's
Federal Agency Bonds/Notes	599,510	AA+	Standard & Poor's
Total	<u>\$ 61,334,049</u>		

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

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.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

	Level 1	Level 2	Level 3	Balance at June 30, 2025
Investments by fair value level				
US Treasury Bonds/Notes	\$ 18,170,722	\$ -	\$ -	\$ 18,170,722
Invesco Premier U.S. Government Money Portfolio	-	350,286	-	350,286
Invesco Government & Agency Portfolio	-	15,590,945	-	15,590,945
Federal Agency Mortgage - Backed Security	-	935,484	-	935,484
Federal Agency Commercial Mortgage-Backed Securities	-	708,424	-	708,424
Federal Agency Collateralized Mortgage Obligation	-	281,966	-	281,966
Federal Agency Bonds/Notes	-	599,510	-	599,510
Total	<u>\$ 18,170,722</u>	<u>\$ 18,466,615</u>	<u>\$ -</u>	<u>\$ 36,637,337</u>

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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (concluded)

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.

	<u>Amortized Cost</u>
MILAF External Investment Pool - MAX	\$ 19,544,791
MILAF External Investment Pool - CMC	<u>151,921</u>
	<u>\$ 19,696,712</u>

Investments in Entities that Calculate Net Asset Value per Share

The District holds shares or interests in the Michigan Liquid Asset Fund (MILAF) Term Series, where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The MILAF Term Series includes investments that the District does not control. The investment pool invests primarily in high-quality money market instruments, including certificates of deposit, commercial paper, and U.S. government and agency obligations, to protect the investment principal and provide liquidity.

At the year ended June 30, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency, if eligible	Redemption Notice Period
MILAF External Investment Pool - TERM	<u>\$ 5,000,000</u>	<u>\$ -</u>	No restrictions	None

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (concluded)

Investments in Entities that Calculate Net Asset Value per Share (concluded)

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

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

	<u>Primary Government</u>
Cash and cash equivalents	\$ 23,378,955
Investments	<u>61,334,049</u>
	<u><u>\$ 84,713,004</u></u>

NOTE 3 - INTERGOVERNMENTAL RECEIVABLES

At June 30, 2025, intergovernmental receivables consist of the following:

	<u>Government- wide</u>
State aid	\$ 10,197,580
Federal revenue	5,601,180
Local/intermediate sources/other	<u>24,972</u>
	<u><u>\$ 15,823,732</u></u>

Because of the District's favorable collection experience, no allowance for doubtful accounts has been recorded.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2024	Additions/ Reclassification	Deletions/ Reclassification	Balance June 30, 2025
Capital assets not being depreciated/amortized				
Land	\$ 2,823,825	\$ 1,576,626	\$ -	\$ 4,400,451
Intangible assets - access rights	875,826	-	-	875,826
Construction in progress	13,316,860	15,801,610	11,579,626	17,538,844
Total capital assets not being depreciated/amortized	17,016,511	17,378,236	11,579,626	22,815,121
Capital assets being depreciated/amortized				
Land improvements	3,241,286	-	-	3,241,286
Buildings and structures	29,870,668	11,735,452	716,226	40,889,894
Right to use - subscription-based IT	314,463	-	-	314,463
Furniture and equipment	10,554,125	367,743	870,231	10,051,637
Total capital assets being depreciated/amortized	43,980,542	12,103,195	1,586,457	54,497,280
Less accumulated depreciation/amortization				
Land improvements	1,218,562	160,949	-	1,379,511
Buildings and structures	13,775,791	1,528,403	716,226	14,587,968
Right to use - subscription-based IT	125,786	62,893	-	188,679
Furniture and equipment	7,035,902	1,022,117	870,231	7,187,788
Total accumulated depreciation/amortization	22,156,041	2,774,362	1,586,457	23,343,946
Total capital assets being depreciated/amortized, net	21,824,501	9,328,833	-	31,153,334
Governmental capital assets, net	\$ 38,841,012	\$ 26,707,069	\$ 11,579,626	\$ 53,968,455

Depreciation/amortization for the fiscal year ended June 30, 2025 amounted to \$2,774,362. The District determined that it was impractical to allocate depreciation/amortization to the various governmental activities as the assets serve multiple functions.

NOTE 5 - INTERGOVERNMENTAL PAYABLES

Intergovernmental payables as of June 30, 2025 consisted of the following:

Homeless	\$ 6,884
GSRP	4,815,140
IDEA Preschool	101,857
IDEA Flowthrough	4,108,993
Title III	3,386
31p	27,000
Title I RAG	82,437
Contracted services	30,848
31n	1,348,346
12c	29,025
Other	362,149
	<u>\$ 10,916,065</u>

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 6 - LONG-TERM OBLIGATIONS

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

The following is a summary of the changes in long-term obligations of the District for the year ended June 30, 2025.

	General Obligation Bonds	Compensated Absences*	Total
Balance, July 1, 2024, as restated	\$ 25,956,853	\$ 1,804,686	\$ 27,761,539
Deletions	<u>(455,926)</u>	<u>(20,677)</u>	<u>(476,603)</u>
Balance, June 30, 2025	25,500,927	1,784,009	27,284,936
Due within one year	<u>400,000</u>	<u>178,401</u>	<u>578,401</u>
Due in more than one year	<u><u>\$ 25,100,927</u></u>	<u><u>\$ 1,605,608</u></u>	<u><u>\$ 26,706,535</u></u>

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

The District's general fund, special education fund and vocation education fund are used to liquidate long-term obligations.

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

General Obligation Bond

2023 Building and Site bonds due in annual installments of \$400,000 to \$1,495,000 through June 1, 2053, with interest at 5.00%	\$ 23,375,000
Plus issuance premium	<u>2,125,927</u>
Total general obligation bond	25,500,927
Compensated absences	<u>1,784,009</u>
Total general long-term obligations	<u><u>\$ 27,284,936</u></u>

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 6 - LONG-TERM OBLIGATIONS (concluded)

The annual requirements to amortized long-term obligations outstanding exclusive of compensated absences payments as of June 30, 2025, are as follows:

Year Ending June 30,	General Obligation Bonds		Compensated Absences	Total
	Principal	Interest		
2026	\$ 400,000	\$ 1,168,750	\$ -	\$ 1,568,750
2027	420,000	1,148,750	-	1,568,750
2028	440,000	1,127,750	-	1,567,750
2029	465,000	1,105,750	-	1,570,750
2030	485,000	1,082,500	-	1,567,500
2031-2035	2,820,000	5,023,000	-	7,843,000
2036-2040	3,605,000	4,243,750	-	7,848,750
2041-2045	4,600,000	3,247,500	-	7,847,500
2046-2050	5,865,000	1,977,250	-	7,842,250
2051-2053	4,275,000	434,500	-	4,709,500
	23,375,000	20,559,500	-	43,934,500
Issuance premium	2,125,927	-	-	2,125,927
Compensated absences	-	-	1,784,009	1,784,009
	<u>\$ 25,500,927</u>	<u>\$ 20,559,500</u>	<u>\$ 1,784,009</u>	<u>\$ 47,844,436</u>

Interest expense at the fund level was \$1,187,750 for the year ended June 30, 2025.

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES AND INTER-FUND TRANSFERS

Interfund receivable and payable balances at June 30, 2025 are as follows:

Receivable Fund	Amount	Payable Fund	Amount
Capital Projects	<u>\$ 6,000,000</u>	Special education	\$ 4,000,000
		Vocational education	1,000,000
		Cooperative fund	<u>1,000,000</u>
			<u>\$ 6,000,000</u>

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES AND INTER-FUND TRANSFERS (concluded)

The composition of interfund transfers is as follows:

Transfers Out	Transfers In					Total
	General Fund	Special Education	Capital Projects	Cooperative Fund	Nonmajor Governmental Funds	
General fund	\$ -	\$ -	\$ 937,995	\$ 3,016,644	\$ 172,453	\$ 4,127,092
Special education	2,942,660	-	10,227,258	204,612	297,871	13,672,401
Vocational education	3,024,458	-	3,264,415	-	1,097,425	7,386,298
Cooperative fund	60,381	-	-	-	-	60,381
Nonmajor governmental funds	-	99,452	-	-	-	99,452
Totals	<u>\$ 6,027,499</u>	<u>\$ 99,452</u>	<u>\$ 14,429,668</u>	<u>\$ 3,221,256</u>	<u>\$ 1,567,749</u>	<u>\$ 25,345,624</u>

Transfers provided funding for capital projects, debt service obligations, and operations and maintenance services.

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

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

Benefits Provided - Overall

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

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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 (MPERS) who became a member of MPERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

Pension Reform 2012

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

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

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

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (concluded)

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.

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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform of 2017 (concluded)

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.

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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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.

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%

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (concluded)

The District's pension contributions for the year ended June 30, 2025 were equal to the required contribution total. Total pension contributions were approximately \$15,471,000. Of the total pension contributions approximately \$14,858,000 was contributed to fund the Defined Benefit Plan and approximately \$613,000 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 \$545,000. Of the total OPEB contributions approximately \$189,000 was contributed to fund the Defined Benefit Plan and approximately \$356,000 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.

<u><i>MPSERS (Plan) Non-university Employers</i></u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Total pension liability	\$ 95,765,499,515	\$ 94,947,828,557
Plan fiduciary net position	\$ 71,283,482,728	\$ 62,584,762,238
Net pension liability	\$ 24,485,016,787	\$ 32,366,066,319
Proportionate share	0.34335%	0.33873%
Net pension liability for the District	\$ 84,059,068	\$ 109,632,693

For the year ended June 30, 2025, the District recognized pension expense of \$8,389,670.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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
Changes of assumptions	\$ 8,763,656	\$ 6,158,871
Net difference between projected and actual plan investment earnings	-	16,042,033
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,537,610	266,926
Differences between expected and actual experience	2,280,582	913,313
Reporting Unit's contributions subsequent to the measurement date	12,960,556	-
	<u>\$ 26,542,404</u>	<u>\$ 23,381,143</u>

\$12,960,556, 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 Ending June 30,	Amount
2026	\$ (1,688,720)
2027	1,339,121
2028	(5,416,811)
2029	(4,032,885)
	<u>\$ (9,799,295)</u>

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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.

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.

<i>MPSERS (Plan) Non-university Employers</i>	September 30, 2024	September 30, 2023
Total OPEB liability	\$ 9,991,545,923	\$ 11,223,648,949
Plan fiduciary net position	\$ 14,295,943,589	\$ 11,789,347,341
Net OPEB liability (asset)	\$ (4,304,397,666)	\$ (565,698,392)
Proportionate share	0.33913%	0.34170%
Net OPEB liability (asset) for the District	\$ (14,597,674)	\$ (1,963,035)

For the year ended June 30, 2025, the District recognized OPEB benefit of \$5,230,672.

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
Changes of assumptions	\$ 3,188,342	\$ 366,474
Net difference between projected and actual plan investment earnings	-	2,763,507
Changes in proportion and differences between employer contributions and proportionate share of contributions	808,485	402,252
Differences between expected and actual experience	-	15,469,077
Reporting Unit's contributions subsequent to the measurement date	17,324	-
	<u>\$ 4,014,151</u>	<u>\$ 19,001,310</u>

\$17,324, 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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (4,831,195)
2027	(2,990,697)
2028	(2,888,207)
2029	(2,588,901)
2030	(1,423,155)
2031	(282,328)
	<u>\$ (15,004,483)</u>

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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - 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%
Private Equity Pools	16.0%	9.0%
International Equity Pools	15.0%	6.5%
Fixed Income Pools	13.0%	2.2%
Real Estate and Infrastructure Pools	10.0%	7.1%
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 expense and 2.3% inflation.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - 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	\$ 123,231,497	\$ 84,059,068	\$ 51,440,484

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

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	\$ (11,281,203)	\$ (14,597,674)	\$ (17,465,114)

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (concluded)

Actuarial Assumptions (concluded)

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 benefit liability (asset)	<u>\$ (17,465,145)</u>	<u>\$ (14,597,674)</u>	<u>\$ (11,522,327)</u>

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 9 - RISK MANAGEMENT

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 9 - RISK MANAGEMENT (concluded)

In addition, the District is also a member of the West Michigan Health Insurance Pool (WMHIP) for medical insurance. Approximately 8,500 lives from all districts are covered under this pool. The pool is classified as a MEWA. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premium for said year, all members of the specific pool's policy year may be subject to special assessment for each occurrence with the overall maximum coverage being unlimited. The pool maintains reinsurance for claims in excess of \$125,000 per person per plan year.

The District continues to carry commercial insurance for other needs including health insurance for other employee groups.

No settlements have occurred in excess of coverage for June 30, 2025 or any of the prior three years.

The District also has a self-insured dental and vision plan for the benefit of certain employees. Claims are handled by an administrative service organization, which is reimbursed on a regular basis by the District. No estimate of claims incurred but not reported under the plan is available, but District management expects the amount, if any, to be immaterial to the basic financial statements as of June 30, 2025. There were no significant reductions in insurance coverage during the year.

NOTE 10 - 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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 - TAX ABATEMENTS

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

<u>Municipality</u>	<u>Taxes Abated</u>
Allendale Charter Township	\$ 18,888
Blendon Township	2,928
Chester Township	101
City of Coopersville	142,894
Crockery Township	14,938
Ferrysburg	125
Georgetown Township	18,906
City of Grand Haven	262,787
Grand Haven Township	8,303
Heath Township	647
Holland Charter Township	413,762
City of Holland	1,191,354
City of Hudsonville	40,203
Jamestown Township	97,667
Laketown Township	50,085
Mainlius Township	683
Monterey Township	191
Norton Shores	34,497
Olive Township	8,292
Park Township	11,671
Robinson Township	2,258
City of Saugatuck	2,286
Saugatuck Township	136
Spring Lake Township	49,399
Wright Township	10,386
City of Zeeland	106,387
Zeeland Township	186,734
	<u>\$ 2,676,508</u>

There are no abatements made by the District.

NOTE 12 - COMMITMENTS

The District has active capital projects outstanding at June 30, 2025. \$15,235,718 has been restricted and \$30,937,855 has been assigned and recorded as fund balance in the 2023 Bond Construction fund and the Capital Projects fund, respectively.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 13 - 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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 14 - 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:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances Governmental Activities
Net position balance as of July 1, 2024 as previously stated	\$ (14,524,160)
Adoption of GASB Statement 101	(1,045,650)
Net position balance as of July 1, 2024, as restated	\$ (15,569,810)

REQUIRED SUPPLEMENTARY INFORMATION

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	GAAP Basis			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 3,257,082	\$ 3,432,048	\$ 3,427,940	\$ (4,108)
State sources	23,005,271	30,613,810	27,845,100	(2,768,710)
Federal sources	2,689,442	2,372,063	2,314,331	(57,732)
Intergovernmental revenues	103,490	117,500	119,922	2,422
TOTAL REVENUES	29,055,285	36,535,421	33,707,293	(2,828,128)
EXPENDITURES				
Current				
Instruction				
Added needs	14,845	7,234	4,007	3,227
Supporting services				
Pupil	1,192,717	704,985	670,360	34,625
Instructional staff	7,549,556	7,700,203	7,424,018	276,185
General administration	662,104	577,695	571,924	5,771
Business services	1,464,196	1,496,297	1,495,149	1,148
Operation and maintenance	974,994	908,777	816,044	92,733
Pupil transportation	4,473	14,745	8,825	5,920
Central services	3,277,500	3,788,292	3,425,903	362,389
Total supporting services	15,125,540	15,190,994	14,412,223	778,771
Community services	520,030	783,776	707,591	76,185
Intergovernmental and other expenditures	16,723,703	22,593,502	20,025,929	2,567,573
TOTAL EXPENDITURES	32,384,118	38,575,506	35,149,750	3,425,756
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,328,833)	(2,040,085)	(1,442,457)	597,628
OTHER FINANCING SOURCES (USES)				
Transfers in	6,701,017	6,324,084	6,027,499	(296,585)
Transfers out	(3,870,816)	(3,851,061)	(4,127,092)	(276,031)
TOTAL OTHER FINANCING SOURCES (USES)	2,830,201	2,473,023	1,900,407	(572,616)
NET CHANGE IN FUND BALANCE	\$ (498,632)	\$ 432,938	457,950	\$ 25,012
FUND BALANCE				
Beginning of year			4,724,430	
End of year			<u>\$ 5,182,380</u>	

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SPECIAL EDUCATION FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	GAAP Basis			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 80,608,726	\$ 82,124,707	\$ 83,144,367	\$ 1,019,660
State sources	22,552,816	23,614,444	23,534,401	(80,043)
Federal sources	14,180,695	14,189,717	14,113,744	(75,973)
Intergovernmental revenues	7,380	39,702	37,522	(2,180)
TOTAL REVENUES	117,349,617	119,968,570	120,830,034	861,464
EXPENDITURES				
Current				
Instruction				
Student instruction and added needs	15,448,925	14,068,628	13,578,282	490,346
Supporting services				
Pupil	15,439,947	13,936,906	13,696,543	240,363
Instructional staff	2,987,980	2,610,971	2,518,886	92,085
General administration	17,363	18,863	289,504	(270,641)
School administration	1,883,096	1,866,989	1,849,894	17,095
Business services	291,715	295,990	274,891	21,099
Operation and maintenance	2,038,566	2,052,201	1,917,873	134,328
Pupil transportation	4,495,569	3,938,472	3,780,742	157,730
Central services	1,390,265	1,749,294	1,694,145	55,149
Other	750	550	-	550
Total supporting services	28,545,251	26,470,236	26,022,478	447,758
Community services	6,100	2,514	3,379	(865)
Intergovernmental expenditures and other	68,945,835	73,097,377	73,389,856	(292,479)
TOTAL EXPENDITURES	112,946,111	113,638,755	112,993,995	644,760
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,403,506	6,329,815	7,836,039	1,506,224
OTHER FINANCING SOURCES (USES)				
Transfers in	108,912	107,616	99,452	(8,164)
Transfers out	(12,830,133)	(12,257,040)	(13,672,401)	(1,415,361)
TOTAL OTHER FINANCING SOURCES (USES)	(12,721,221)	(12,149,424)	(13,572,949)	(1,423,525)
NET CHANGE IN FUND BALANCE	\$ (8,317,715)	\$ (5,819,609)	(5,736,910)	\$ 82,699
FUND BALANCE				
Beginning of year			18,822,581	
End of year			<u>\$ 13,085,671</u>	

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
VOCATIONAL EDUCATION FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	GAAP Basis			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 19,892,947	\$ 20,998,235	\$ 20,928,043	\$ (70,192)
State sources	4,549,107	3,972,899	4,162,160	189,261
Federal sources	451,580	451,580	451,580	-
Intergovernmental revenues	142,000	24,952	31,560	6,608
TOTAL REVENUES	25,035,634	25,447,666	25,573,343	125,677
EXPENDITURES				
Current				
Instruction				
Basic programs	10,015,930	9,630,679	9,737,416	(106,737)
Adult continuing education	1,083,863	1,054,963	970,707	84,256
Total instruction	11,099,793	10,685,642	10,708,123	(22,481)
Supporting services				
Pupil	2,369,827	2,568,852	2,493,410	75,442
Instructional staff	3,322,268	3,470,393	3,469,372	1,021
General administration	17,000	17,000	33,986	(16,986)
School administration	626,199	635,371	609,759	25,612
Business services	99,560	93,650	86,337	7,313
Operation and maintenance	1,774,739	1,696,525	1,692,119	4,406
Pupil transportation	184,685	156,651	138,927	17,724
Central services	514,199	480,253	480,250	3
Total supporting services	8,908,477	9,118,695	9,004,160	114,535
Intergovernmental expenditures	69,000	162,962	173,571	(10,609)
TOTAL EXPENDITURES	20,077,270	19,967,299	19,885,854	81,445
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,958,364	5,480,367	5,687,489	207,122
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,274,557)	(7,262,877)	(7,386,298)	(123,421)
NET CHANGE IN FUND BALANCE	\$ (1,316,193)	\$ (1,782,510)	(1,698,809)	\$ 83,701
FUND BALANCE				
Beginning of year			8,074,515	
End of year			\$ 6,375,706	

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
COOPERATIVE FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	GAAP Basis			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 919,242	\$ 941,727	\$ 929,413	\$ (12,314)
State sources	797,365	707,116	654,130	(52,986)
Intergovernmental revenues	6,290,449	5,988,251	6,042,811	54,560
TOTAL REVENUES	8,007,056	7,637,094	7,626,354	(10,740)
EXPENDITURES				
Current				
Supporting services				
Pupil	98,411	1,791	3,261	(1,470)
Instructional staff	360,374	335,691	326,217	9,474
Business services	1,863,502	1,889,997	1,862,080	27,917
Central services	7,037,752	6,598,184	6,435,804	162,380
Other	1,912,000	1,912,000	2,005,395	(93,395)
Total supporting services	11,272,039	10,737,663	10,632,757	104,906
Community services	191,339	180,773	180,057	716
TOTAL EXPENDITURES	11,463,378	10,918,436	10,812,814	105,622
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,456,322)	(3,281,342)	(3,186,460)	94,882
OTHER FINANCING SOURCES (USES)				
Transfers in	3,586,326	3,317,965	3,221,256	(96,709)
Transfers out	(84,000)	(48,733)	(60,381)	(11,648)
TOTAL OTHER FINANCING SOURCES (USES)	3,502,326	3,269,232	3,160,875	(108,357)
NET CHANGE IN FUND BALANCE	\$ 46,004	\$ (12,110)	(25,585)	\$ (13,475)
FUND BALANCE				
Beginning of year			1,174,901	
End of year			\$ 1,149,316	

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
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 (%)	0.34335%	0.33873%	0.33096%	0.33041%	0.32750%	0.31651%	0.30013%	0.28683%	0.27194%	0.25951%
Reporting Unit's proportionate share of net pension liability	\$ 84,059,068	\$ 109,632,693	\$ 124,469,050	\$ 78,225,365	\$ 112,498,696	\$ 104,817,944	\$ 90,223,889	\$ 74,330,082	\$ 67,845,697	\$ 63,385,714
Reporting Unit's covered-employee payroll	\$ 36,223,396	\$ 34,981,614	\$ 32,184,292	\$ 30,154,102	\$ 29,889,232	\$ 28,457,538	\$ 26,627,363	\$ 24,482,508	\$ 23,572,921	\$ 21,759,582
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	232.06%	313.40%	386.74%	259.42%	376.39%	368.33%	338.84%	303.60%	287.81%	291.30%
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%

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED
AS OF YEAR ENDED JUNE 30)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	\$ 14,857,658	\$ 13,991,175	\$ 15,173,971	\$ 10,639,616	\$ 9,790,675	\$ 8,819,119	\$ 8,260,023	\$ 7,793,375	\$ 6,750,027	\$ 5,948,092
Contributions in relation to statutorily required contributions	14,857,658	13,991,175	15,173,971	10,639,616	9,790,675	8,819,119	8,260,023	7,793,375	6,750,027	5,948,092
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 37,541,356	\$ 35,706,745	\$ 34,451,970	\$ 31,587,563	\$ 30,079,684	\$ 29,669,244	\$ 28,033,877	\$ 26,023,387	\$ 24,183,117	\$ 22,883,348
Contributions as a percentage of covered-employee payroll	39.58%	39.18%	44.04%	33.68%	32.55%	29.72%	29.46%	29.95%	27.91%	25.99%

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
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 OPEB liability (asset) (%)	0.33912%	0.34701%	0.32844%	0.33028%	0.33498%	0.32408%	0.31165%	0.28722%
Reporting Unit's proportionate share of net OPEB liability (asset)	\$ (14,597,674)	\$ (1,963,035)	\$ 6,956,498	\$ 5,041,293	\$ 17,945,724	\$ 23,261,395	\$ 24,773,120	\$ 25,434,495
Reporting Unit's covered-employee payroll	\$ 36,223,396	\$ 34,981,614	\$ 32,184,292	\$ 30,154,102	\$ 29,889,232	\$ 28,457,538	\$ 26,627,363	\$ 24,482,508
Reporting Unit's proportionate share of net OPEB liability (asset) as a percentage of its covered-employee payroll	40.30%	5.61%	21.61%	16.72%	60.04%	81.74%	93.04%	103.89%
Plan fiduciary net position as a percentage of total OPEB liability (asset) (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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REPORTING UNIT'S OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED
AS OF YEAR ENDED JUNE 30)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 189,120	\$ 2,915,797	\$ 2,732,701	\$ 2,394,574	\$ 2,567,144	\$ 2,472,002	\$ 2,295,098	\$ 2,220,158
Contributions in relation to statutorily required contributions	<u>189,120</u>	<u>2,915,797</u>	<u>2,732,701</u>	<u>2,394,574</u>	<u>2,567,144</u>	<u>2,472,002</u>	<u>2,295,098</u>	<u>2,220,158</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 37,451,356	\$ 35,706,745	\$ 34,451,970	\$ 31,587,563	\$ 30,079,684	\$ 29,669,244	\$ 28,033,877	\$ 26,023,387
Contributions as a percentage of covered-employee payroll	0.50%	8.17%	7.93%	7.58%	8.53%	8.33%	8.19%	8.53%

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

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
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.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025**

NOTE 2 - OPEB INFORMATION (concluded)

Changes in Assumptions (concluded)

- 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.

NOTE 3 - BASIS OF BUDGETING

The District budgets on a GAAP basis.

ADDITIONAL SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUND TYPES

Special Revenue Funds

Enhancement Fund - this fund accounts for revenue sources that result from local tax collections and disbursed to local education agencies.

Student/School Activities Fund - this fund accounts for revenue sources and disbursements that result from student and school activity accounts.

Debt Service Fund

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

Permanent Fund

The permanent fund is used to account for monies held in a perpetual trust, the earnings of which may be used for specified educational purposes. Expenditures of interest income is governed by a three-member committee which is appointed by the Board of Education.

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2025**

	Special Revenue - Student/School Activities	Special Revenue - Enhancement Fund	Debt service - 2023 Bond Construction	Permanent Fund	Total Nonmajor Funds
ASSETS					
Cash and cash equivalents	\$ 254,679	\$ -	\$ 22,026	\$ 369	\$ 277,074
Investments	-	-	-	350,286	350,286
Accounts receivable	375	6,695	-	-	7,070
TOTAL ASSETS	\$ 255,054	\$ 6,695	\$ 22,026	\$ 350,655	\$ 634,430
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 9,828	\$ 6,695	\$ -	\$ -	\$ 16,523
FUND BALANCES					
Nonspendable					
Endowment corpus	-	-	-	250,000	250,000
Restricted					
Endowment earnings	-	-	-	100,655	100,655
Debt service	-	-	22,026	-	22,026
Committed					
Student/school activities	245,226	-	-	-	245,226
TOTAL FUND BALANCES	245,226	-	22,026	350,655	617,907
TOTAL LIABILITIES AND FUND BALANCES	\$ 255,054	\$ 6,695	\$ 22,026	\$ 350,655	\$ 634,430

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2025**

	Special Revenue - Student/School Activities	Special Revenue - Enhancement Fund	Debt Service - 2023 Bond Construction	Permanent Fund	Total Nonmajor Funds
REVENUES					
Local sources					
Property taxes	\$ -	\$ 16,180,104	\$ -	\$ -	\$ 16,180,104
Investment earnings	-	-	22,027	15,618	37,645
Student/school activities	128,216	-	-	-	128,216
TOTAL REVENUES	128,216	16,180,104	22,027	15,618	16,345,965
EXPENDITURES					
Support					
Student activity expense	135,429	-	-	-	135,429
Interdistrict transactions	-	16,080,652	-	-	16,080,652
Debt service					
Principal repayment	-	-	380,000	-	380,000
Interest	-	-	1,187,750	-	1,187,750
TOTAL EXPENDITURES	135,429	16,080,652	1,567,750	-	17,783,831
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,213)	99,452	(1,545,723)	15,618	(1,437,866)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	1,567,749	-	1,567,749
Transfers out	-	(99,452)	-	-	(99,452)
TOTAL OTHER FINANCING SOURCES (USES)	-	(99,452)	1,567,749	-	1,468,297
NET CHANGE IN FUND BALANCES	(7,213)	-	22,026	15,618	30,431
FUND BALANCES					
Beginning of year	252,439	-	-	335,037	587,476
End of year	\$ 245,226	\$ -	\$ 22,026	\$ 350,655	\$ 617,907

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
ENHANCEMENT FUND
ADDITIONAL SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	GAAP Basis			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 16,028,411	\$ 16,232,537	\$ 16,180,104	\$ (52,433)
EXPENDITURES				
Interdistrict transactions	15,919,499	16,124,921	16,080,652	44,269
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	108,912	107,616	99,452	(8,164)
OTHER FINANCING SOURCES (USES)				
Transfers out	(108,912)	(107,616)	(99,452)	8,164
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE				
Beginning of year			-	
End of year			\$ -	

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STUDENT/SCHOOL ACTIVITIES FUND
ADDITIONAL SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	GAAP Basis			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 150,586	\$ 141,570	\$ 128,216	\$ (13,354)
EXPENDITURES				
Supporting services				
Other	154,751	157,438	135,429	22,009
NET CHANGE IN FUND BALANCE	\$ (4,165)	\$ (15,868)	(7,213)	\$ 8,655
FUND BALANCE				
Beginning of year			252,439	
End of year			\$ 245,226	

STATISTICAL SECTION (UNAUDITED)

**OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION OVERVIEW
2024-2025**

This part of the Ottawa Area Intermediate School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

DEMOGRAPHIC & ECONOMIC INFORMATION

These schedules present demographic and economic indicators to help the reader understand the economic environment within which the District operates.

OPERATIONAL INFORMATION

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net investment in capital assets	\$ 17,714,707	\$ 19,244,515	\$ 19,652,174	\$ 21,504,683	\$ 23,297,171	\$ 22,856,853	\$ 25,737,742	\$ 29,211,623	\$ 34,629,053	\$ 43,703,246
Restricted:										
Other purposes	13,245,301	7,845,847	303,403	305,798	308,424	308,597	308,787	318,032	2,298,072	14,948,329
Unrestricted	(3,687,854)	(6,112,438)	(32,670,109)	(39,664,512)	(46,567,607)	(51,217,194)	(51,503,073)	(52,430,725)	(51,451,285)	(45,966,394)
Total Primary Government										
Net Position	<u>\$ 27,272,154</u>	<u>\$ 20,977,924</u>	<u>\$ (12,714,532)</u>	<u>\$ (17,854,031)</u>	<u>\$ (22,962,012)</u>	<u>\$ (28,051,744)</u>	<u>\$ (25,456,544)</u>	<u>\$ (22,901,070)</u>	<u>\$ (14,524,160)</u>	<u>\$ 12,685,181</u>

Note: Net position was restated for fiscal year 2018 as of July 1, 2017 with the implementation of GASB Statement 75.

Note: Net position was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB Statement 84.

Note: Net position was restated for fiscal year 2025 as of July 1, 2024 with the implementation of GASB Statement 101

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Changes in Governmental Net Position
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
Instruction	\$ 18,456,936	\$ 20,028,823	\$ 21,007,346	\$ 23,043,014	\$ 24,642,319	\$ 22,716,579	\$ 19,630,171	\$ 21,765,665	\$ 22,552,648	\$ 20,846,913
Support Services	34,780,279	38,986,700	40,315,572	45,041,496	50,057,622	53,068,406	48,405,274	56,358,430	61,840,773	46,928,766
Community Services	73,668	155,700	136,527	223,800	276,231	349,078	520,564	540,256	623,061	766,206
Outgoing transfers and other transactions	52,569,110	57,561,318	58,130,084	59,722,050	72,462,079	75,136,263	81,029,840	86,041,748	94,273,726	108,038,382
Student/school activities	-	-	-	-	194,053	137,536	173,416	258,092	133,182	135,429
Interest on long-term debt	114,750	101,850	85,579	69,666	41,667	-	-	-	997,955	1,285,146
Unallocated depreciation/amortization	1,422,670	1,551,755	1,501,274	1,556,481	1,746,463	1,931,912	1,532,884	1,848,749	1,999,056	2,774,362
Total governmental activities	107,417,413	118,386,146	121,176,382	129,656,507	149,420,434	153,339,774	151,292,149	166,812,940	182,420,401	180,775,204
Program Revenues:										
Charges for Services	4,993,257	5,116,756	4,550,732	7,869,150	8,731,597	5,464,615	6,527,892	5,981,340	6,238,157	7,810,783
Operating grants and contributions	35,025,305	39,452,797	40,113,921	44,723,302	47,875,754	52,087,595	54,635,627	62,220,166	70,992,293	79,932,204
Total program revenue	40,018,562	44,569,553	44,664,653	52,592,452	56,607,351	57,552,210	61,163,519	68,201,506	77,230,450	87,742,987
Net (expense) revenue	(67,398,851)	(73,816,593)	(76,511,729)	(77,064,055)	(92,813,083)	(95,787,564)	(90,128,630)	(98,611,434)	(105,189,951)	(93,032,217)
General Revenues:										
Property taxes, levied for general operations	65,875,207	65,865,460	66,704,757	70,024,330	85,632,879	89,054,988	92,114,046	97,605,976	106,304,563	114,316,755
Unrestricted state aid	1,509,715	1,509,715	1,509,715	1,540,257	1,555,636	1,555,308	1,617,521	1,701,632	1,786,713	1,786,713
Other	130,294	114,711	118,635	124,644	60,902	61,796	21,478	96,898	41,461	132,877
Unrestricted investment earnings (loss)	82,121	32,477	34,355	235,325	320,290	25,740	(1,029,215)	1,762,402	5,434,124	5,050,863
Total general revenues	67,597,337	67,522,363	68,367,462	71,924,556	87,569,707	90,697,832	92,723,830	101,166,908	113,566,861	121,287,208
Change in net position	\$ 198,486	\$ (6,294,230)	\$ (8,144,267)	\$ (5,139,499)	\$ (5,243,376)	\$ (5,089,732)	\$ 2,595,200	\$ 2,555,474	\$ 8,376,910	\$ 28,254,991

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Fund Balances
All Governmental Fund Types
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Reserved/Nonspendable										
Inventories	\$ 37	\$ 116	\$ -	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64	\$ -	\$ -
Prepaid Items	72,345	81,475	82,341	86,403	6,400	90,533	105,164	113,705	91,953	116,575
Assigned										
Compensated Absences	220,274	244,033	181,436	238,978	238,978	378,453	818,850	851,367	759,036	1,784,009
Subsequent year expenditures	490,658	246,452	199,955	169,672	408,444	462,049	445,020	476,860	498,691	912,628
Undesignated/Unassigned	3,907,511	3,869,894	3,637,286	3,631,422	3,625,310	3,705,242	3,258,724	3,192,664	3,374,750	2,369,168
Total General Fund	\$ 4,690,825	\$ 4,441,970	\$ 4,101,018	\$ 4,126,539	\$ 4,279,196	\$ 4,636,341	\$ 4,627,822	\$ 4,634,660	\$ 4,724,430	\$ 5,182,380
All Other Governmental Funds:										
Reserved/ Nonspendable										
Inventories	\$ 266,645	\$ 233,070	\$ 388,045	\$ 1,399	\$ 1,399	\$ 816,810	\$ 1,399	\$ -	\$ -	\$ 465,638
Prepaid items	363,614	474,346	438,755	464,422	111,527	556,025	552,755	597,536	619,818	606,370
Endowment corpus	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Restricted										
Inventories	-	-	-	591,735	-	-	-	-	-	-
Endowment earnings	52,486	52,893	53,403	55,798	58,424	58,597	58,787	68,032	85,037	100,655
Debt service	4,948	4,948	4,948	4,948	-	-	-	-	-	22,026
Special Revenue	54,680,930	46,178,500	36,595,499	42,549,996	42,159,509	42,130,105	39,783,284	38,102,601	27,452,179	19,538,685
Capital Projects	-	-	-	-	-	-	-	-	21,744,894	15,235,718
Committed for student/school activities	-	-	-	-	159,812	279,492	341,652	234,873	252,439	245,226
Assigned										
Compensated Absences	473,146	465,934	358,288	-	-	-	-	-	-	-
Subsequent year expenditures	1,852,647	4,443,393	7,319,018	-	-	-	-	-	-	-
Capital Projects Funds	3,707,729	3,115,581	3,098,660	3,152,754	7,327,980	9,581,257	9,514,174	11,034,837	18,639,178	30,937,855
Total all other governmental funds	\$ 61,652,145	\$ 55,218,665	\$ 48,506,616	\$ 47,071,052	\$ 50,068,651	\$ 53,672,286	\$ 50,502,051	\$ 50,287,879	\$ 69,043,545	\$ 67,402,173
Total all funds	\$ 66,342,970	\$ 59,660,635	\$ 52,607,634	\$ 51,197,591	\$ 54,347,847	\$ 58,308,627	\$ 55,129,873	\$ 54,922,539	\$ 73,767,975	\$ 72,584,553

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Changes in Fund Balances
All Governmental Fund Types
Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenue:										
Local revenue	\$ 72,463,146	\$ 72,535,859	\$ 72,843,227	\$ 79,813,480	\$ 94,960,601	\$ 94,864,355	\$ 97,870,753	\$ 105,603,426	\$ 118,274,618	\$ 127,439,494
State revenue	19,445,635	21,787,854	22,694,170	26,831,997	28,301,164	29,364,761	31,446,772	41,687,934	46,536,268	56,195,791
Federal revenue	11,915,220	12,467,095	12,287,049	12,980,455	13,141,747	13,955,317	17,274,766	17,436,514	17,325,189	16,879,655
Other sources	5,531,147	5,712,852	5,273,734	5,325,749	7,909,609	10,864,190	8,166,253	8,391,127	6,568,144	6,231,815
Total revenue	109,355,148	112,503,660	113,098,180	124,951,681	144,313,121	149,048,623	154,758,544	173,119,001	188,704,219	206,746,755
Expenditures										
Current:										
Instruction	18,521,110	19,762,414	20,487,559	21,464,541	21,298,536	20,229,214	20,771,031	22,653,507	23,799,499	24,290,412
Supporting services	34,807,286	38,516,520	39,521,792	41,819,549	43,729,367	48,129,997	51,204,855	59,338,143	59,423,721	60,207,047
Community Services	73,668	155,700	136,527	223,800	276,231	349,078	520,564	540,256	653,879	891,027
Interdistrict transactions	-	-	-	-	12,009,106	12,484,294	12,931,044	13,719,255	14,941,164	16,080,652
Other services	52,511,591	59,023,272	58,130,084	59,783,444	60,821,592	62,737,969	68,654,427	72,322,493	79,332,562	93,589,356
Debt Service:										
Principal repayment	540,000	555,000	575,000	590,000	1,250,000	-	-	-	670,000	380,000
Interest	116,775	104,625	87,975	73,600	50,000	-	-	-	898,976	1,187,750
Other (Issuance Costs)	-	-	-	-	-	-	-	-	364,245	993
Capital outlay	212,103	1,068,464	1,212,244	2,406,790	1,866,970	1,157,291	3,855,377	4,752,681	16,477,516	11,302,940
Total expenditures	106,782,533	119,185,995	120,151,181	126,361,724	141,301,802	145,087,843	157,937,298	173,326,335	196,561,562	207,930,177
Excess of Revenue Over (Under) Expenditures	2,572,615	(6,682,335)	(7,053,001)	(1,410,043)	3,011,319	3,960,780	(3,178,754)	(207,334)	(7,857,343)	(1,183,422)
Other Financing Sources (Uses):										
Proceeds from issuance of bonds	-	-	-	-	-	-	-	-	24,425,000	-
Debt premium or discount	-	-	-	-	-	-	-	-	2,277,779	-
Transfers in	6,822,924	7,736,831	9,595,238	10,675,036	15,046,535	11,796,682	12,459,992	15,980,421	28,910,039	25,345,624
Transfers out	(6,822,924)	(7,736,831)	(9,595,238)	(10,675,036)	(15,046,535)	(11,796,682)	(12,459,992)	(15,980,421)	(28,910,039)	(25,345,624)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	26,702,779	-
Net change in fund balances	2,572,615	(6,682,335)	(7,053,001)	(1,410,043)	3,011,319	3,960,780	(3,178,754)	(207,334)	18,845,436	(1,183,422)
Fund Balances-beginning of year	63,770,355	66,342,970	59,660,635	52,607,634	51,197,591	54,347,847	58,308,627	55,129,873	54,922,539	73,767,975
Prior period adjustment	-	-	-	-	138,937	-	-	-	-	-
Fund Balances, beginning of year	63,770,355	66,342,970	59,660,635	52,607,634	51,336,528	54,347,847	58,308,627	55,129,873	54,922,539	73,767,975
Fund Balances-End of year	\$ 66,342,970	\$ 59,660,635	\$ 52,607,634	\$ 51,197,591	\$ 54,347,847	\$ 58,308,627	\$ 55,129,873	\$ 54,922,539	\$ 73,767,975	\$ 72,584,553
Debt service as a percentage of noncapital expenditures	0.62%	0.56%	0.56%	0.54%	0.94%	0.00%	0.00%	0.00%	1.09%	0.80%

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of Government-wide Revenues
Last Ten Fiscal Years

Revenue	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Charges for services:										
Instruction	\$ 848,854	\$ 869,849	\$ 773,624	\$ 1,337,756	\$ 1,484,371	\$ 163,938	\$ 1,109,742	\$ 171,119	\$ 187,983	\$ 234,324
Supporting services	3,994,606	4,093,405	3,640,586	6,295,320	6,985,278	928,985	5,222,314	1,018,286	1,060,340	1,327,833
Community services	149,797	153,502	136,522	236,074	261,948	4,371,692	195,836	4,791,935	4,989,834	6,248,626
Total charges for services	4,993,257	5,116,756	4,550,732	7,869,150	8,731,597	5,464,615	6,527,892	5,981,340	6,238,157	7,810,783
Operating grants/contributions:										
Instruction	19,059,097	22,209,350	22,722,822	25,841,530	28,067,103	30,717,582	29,975,550	35,991,113	43,047,927	19,198,232
Supporting services	6,312,264	7,076,920	7,234,330	8,495,590	8,800,542	9,386,438	9,685,420	12,135,966	14,254,342	47,043,181
Community services	22,841	40,262	118,986	53,755	34,555	42,707	32,617	26,763	15,204	19,016
Outgoing transfers and other transactions	9,631,103	10,126,265	10,037,782	10,332,427	10,758,626	11,683,652	14,706,464	13,915,011	13,524,072	13,543,559
Student/school activities	-	-	-	-	214,928	257,216	235,576	151,313	150,748	128,216
Total operating grants/contributions	35,025,305	39,452,797	40,113,920	44,723,302	47,875,754	52,087,595	54,635,627	62,220,166	70,992,293	79,932,204
General revenue:										
Property taxes	65,875,207	65,865,460	66,704,757	70,024,330	85,632,879	89,054,988	92,114,046	97,605,976	106,304,563	114,316,755
Unrestricted state aid	1,509,715	1,509,715	1,509,715	1,540,257	1,555,636	1,555,308	1,617,521	1,701,632	1,786,713	1,786,713
Other	130,294	114,711	118,635	124,644	60,902	61,796	21,478	96,898	41,461	132,877
Unrestricted investment earnings	82,121	32,477	34,355	235,325	320,290	25,740	(1,029,215)	1,762,402	5,434,124	5,050,863
Total general revenue	\$ 67,597,337	\$ 67,522,363	\$ 68,367,462	\$ 71,924,556	\$ 87,569,707	\$ 90,697,832	\$ 92,723,830	\$ 101,166,908	\$ 113,566,861	\$ 121,287,208

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of Expenditures by Function-All Governmental Fund Types
Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction	\$ 18,521,110	\$ 19,762,414	\$ 20,487,559	\$ 21,464,541	\$ 21,298,536	\$ 20,229,214	\$ 20,771,031	\$ 22,653,507	\$ 23,799,499	\$ 24,290,412
Support Services	34,807,286	38,516,520	39,521,792	41,819,549	43,729,367	48,129,997	51,204,855	59,338,143	59,423,721	60,207,047
Community Services	73,668	155,700	136,527	223,800	276,231	349,078	520,564	540,256	653,879	891,027
Interdistrict transactions	-	-	-	-	12,009,106	12,484,294	12,931,044	13,719,255	14,941,164	16,080,652
Outgoing transfers and other transactions	52,511,591	59,023,272	58,130,084	59,783,444	60,821,592	62,737,969	68,654,427	72,322,493	79,332,562	93,589,356
Capital Outlay	212,103	1,068,464	1,212,244	2,406,790	1,866,970	1,157,048	3,855,377	4,752,681	16,477,516	11,302,940
Debt Service	656,775	659,625	662,975	663,600	1,300,000	-	-	-	1,933,221	1,568,743
Total	<u>\$ 106,782,533</u>	<u>\$ 119,185,995</u>	<u>\$ 120,151,181</u>	<u>\$ 126,361,724</u>	<u>\$ 141,301,802</u>	<u>\$ 145,087,600</u>	<u>\$ 157,937,298</u>	<u>\$ 173,326,335</u>	<u>\$ 196,561,562</u>	<u>\$ 207,930,177</u>

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Assessed Taxable Value and Estimated Actual Value of Taxable Property
Last Ten Years

Tax Year	Taxable Value by Property Type							Taxable Valuation			Tax Rate (Mills)			
	Real Property					Personal Property	Total Taxable Value	Principal Residence	Non-Principal Residence	Total Taxable Value	Principal Residence	Non-Principal Residence	Assessment Percentage	Market Value
	Agricultural	Commercial	Industrial	Residential	Timber-Cutover Developmental									
2016	\$ 312,456,178	\$ 1,165,493,819	\$ 746,055,359	\$ 7,402,416,788	\$ -	\$ 128,406	\$ 812,109,650	\$ 7,113,356,587	\$ 3,325,303,613	\$ 10,438,660,200	5.4970	5.4970	50%	\$ 20,877,320,400
2017	319,703,671	1,246,667,068	756,360,775	7,745,729,660	-	182,529	759,224,684	7,245,374,476	3,582,493,911	10,827,868,387	5.4577	5.4577	50%	21,655,736,774
2018	330,749,092	1,345,196,724	546,486,610	8,190,295,833	-	89,220	857,203,095	7,443,695,946	3,826,324,628	11,270,020,574	5.4577	5.4577	50%	22,540,041,148
2019	339,950,348	1,406,108,936	586,463,927	8,697,970,905	-	91,361	849,821,819	7,918,437,446	3,961,969,850	11,880,407,296	6.3414	6.3414	50%	23,760,814,592
2020	348,568,604	1,489,673,377	620,262,150	9,180,634,562	-	93,096	837,183,716	8,383,177,872	4,093,237,633	12,476,415,505	6.2906	6.2906	50%	24,952,831,010
2021	359,018,875	1,559,280,411	644,248,390	9,641,202,576	-	94,399	824,982,650	8,850,620,363	4,178,206,938	13,028,827,301	6.2245	6.2245	50%	26,057,654,602
2022	375,538,688	1,683,224,579	690,574,553	10,371,149,794	-	114,300	857,966,540	9,514,713,671	4,463,854,783	13,978,568,454	6.1546	6.1546	50%	27,957,136,908
2023	392,369,304	1,835,824,798	753,513,077	11,334,740,054	-	-	852,617,018	10,340,685,001	4,828,379,250	15,169,064,251	6.1546	6.1546	50%	30,338,128,502
2024	424,391,229	2,024,947,994	850,042,220	12,409,326,596	-	-	861,055,979	11,317,284,501	5,252,479,517	16,569,764,018	6.0962	6.0962	50%	33,139,528,036
2025	440,082,425	2,174,559,993	905,580,800	13,251,392,182	-	-	898,038,326	12,085,216,279	5,584,437,447	17,669,653,726	6.3164	6.3164	50%	35,339,307,452

Source: Ottawa County Equalization & Apportionment Reports

Ottawa County Totals ONLY (not by OAISD school districts)

Michigan Department of Treasury; State Tax Commission; Taxable Valuations

<https://www.michigan.gov/treasury>

Notes: The Michigan Constitution and Statutes provide that property is to be assessed and equalized at 50% of its fair market value.

For taxes levied in 1995, and each year thereafter, the legislature shall provide for the taxable value of each property not to increase by more than the increase in the immediately preceding general price level (CPI), or 5%, whichever is less, until such time as ownership of the property is transferred. When ownership of the parcel is transferred, the parcel shall be assessed at the applicable proportion of the current true cash value.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of Property Tax Rates Levied on Property within the District
Direct and Overlapping Levies - Last Ten Years

Millage Rates - Direct OAISD Taxes								Overlapping Taxes (Municipality & Authority Levies/Millages)									
Tax Year	FY ended June 30	General Education Levy	Special Education Levy	Vocational Education Levy	Enhancement Levy	Debt Levy	State Education Tax (SET)	Ottawa County	Allegan County	Muskegon County	Allendale Township Ottawa Co	Blendon Township Ottawa	Chester Township Ottawa Co	Coopersville City Ottawa Co	Crockery Township Ottawa Co	Douglas City/ Village Allegan Co	Ferrysburg City Ottawa Co
2015	2016	0.1061	4.3750	1.0423	0.0000	0.0000	6.0000	4.3565	6.0937	6.6357	2.7422	3.0367	4.3208	13.6960	3.2103	13.0818	9.8486
2016	2017	0.1055	4.3544	1.0371	0.0000	0.0000	6.0000	5.1483	6.0839	6.8957	2.7422	3.0133	4.3098	13.7228	3.7103	13.0818	9.6849
2017	2018	0.1047	4.3233	1.0297	0.0000	0.0000	6.0000	5.1525	6.0424	6.8957	2.7422	2.9695	4.3094	13.6641	3.7013	13.0818	9.5674
2018	2019	0.1047	4.3233	1.0297	0.0000	0.0000	6.0000	5.1525	6.0708	6.8957	2.7422	2.9313	4.3094	13.2452	3.6833	13.0818	9.4637
2019	2020	0.1213	4.3003	1.0242	0.8956	0.0000	6.0000	5.4449	6.0216	6.8957	2.7422	3.0198	4.4092	13.2424	3.8314	13.0818	9.4752
2020	2021	0.1203	4.2656	1.0160	0.8887	0.0000	6.0000	5.4317	6.2341	6.8947	2.7422	3.0034	4.4003	13.2419	3.7835	13.0818	9.2939
2021	2022	0.1190	4.2206	1.0053	0.8796	0.0000	6.0000	5.4156	6.3161	6.8490	2.7422	2.9605	4.3891	13.2399	3.7481	13.0818	9.1515
2022	2023	0.1176	4.1731	0.9940	0.8699	0.0000	6.0000	5.3984	6.9483	6.7878	2.7422	2.9246	4.3638	13.2392	3.6827	13.0818	10.5943
2023	2024	0.1176	4.1731	0.9940	0.8699	0.0000	6.0000	5.3984	6.9630	6.7878	2.7422	3.0764	4.3906	13.2392	3.6827	13.0818	10.5943
2024	2025	0.1164	4.1336	0.9846	0.8616	0.0000	6.0000	5.3842	6.9902	6.7319	2.7422	3.0568	4.3906	13.2379	5.2718	13.0818	9.8058

Overlapping Taxes (Municipality & Authority Levies/Millages)																	
Tax Year	FY ended June 30	Muskegon Area Library District	Muskegon Community College	NE Ottawa Library District	Norton Shores City	Olive Township	Overisel Township	Park Township	Polkton Township	Port Sheldon Township	Ravenna Township	Robinson Township	Salem Township	Saugatuck City	Saugatuck Township	Spring Lake Library District	Spring Lake Township
2015	2016	0.7490	2.5437	0.5881	10.9500	4.9784	7.1600	4.3288	4.2069	1.4500	3.1564	3.4557	6.8043	15.6745	2.6396	2.2120	2.0392
2016	2017	1.2490	2.5437	0.8181	10.9500	4.9603	7.2934	4.3063	4.2069	1.4488	3.1439	3.4320	6.7729	15.8132	2.6315	2.1948	2.0149
2017	2018	1.2490	2.5437	0.8641	10.9500	4.9603	7.4100	4.5105	4.1921	1.4488	3.1338	3.4247	6.6847	15.7723	2.5903	2.1820	2.0950
2018	2019	1.2490	2.5437	0.8722	10.9500	4.9366	7.4100	3.0171	4.1752	1.4488	3.1246	3.3933	6.5448	15.7194	2.5487	2.1227	2.2730
2019	2020	1.2490	2.5437	0.8600	10.9500	4.4352	7.4100	2.9180	4.1752	1.4488	3.1060	3.3871	6.3961	14.7673	2.5259	2.0855	2.2680
2020	2021	1.2448	2.5434	0.8581	10.9500	4.4754	7.4100	2.7612	4.1996	2.1997	3.1217	3.5254	6.3409	14.6683	2.5095	1.9004	2.2822
2021	2022	1.2363	2.5288	0.8533	10.9500	4.4466	7.4100	2.7508	4.1752	2.1997	3.0914	3.4848	6.9536	14.2502	2.8539	1.4321	2.2769
2022	2023	1.2230	2.5093	0.8083	10.9500	2.4889	7.4100	2.7244	4.1506	2.1997	3.0740	3.4320	6.9536	13.9802	3.1217	1.4735	2.2575
2023	2024	1.2230	2.4393	0.7683	10.9500	2.4889	7.4100	3.3486	4.1506	2.1997	3.0740	3.4320	6.9536	13.9802	3.6884	1.4735	2.2429
2024	2025	1.2143	2.3765	0.7568	10.9500	2.5080	7.4100	3.3392	4.1996	2.2500	3.0920	3.3976	6.9536	13.7298	3.6296	1.4655	2.8061

Source: Michigan Department of Treasury; State Tax Commission; Millage Search

<https://eequal.bsasoftware.com/MillageSearch.aspx>

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of Property Tax Rates Levied on Property within the District
Direct and Overlapping Levies - Last Ten Years (continued)

Overlapping Taxes (Municipality & Authority Levies/Millages)

Fillmore Township <u>Allegan Co</u>	Georgetown Township <u>Ottawa Co</u>	Grand Haven City <u>Ottawa Co</u>	Grand Haven City Authority <u>Ottawa Co</u>	Grand Haven Township <u>Ottawa Co</u>	Heath Township <u>Allegan Co</u>	Holland City <u>Alleg/Ott Co</u>	Holland City Authority <u>Alleg/Ott Co</u>	Holland Pool Authority <u>Alleg/Ott Co</u>	Holland Township <u>Ottawa Co</u>	Hudsonville City <u>Ottawa Co</u>	Hudsonville City Authority <u>Ottawa Co</u>	Jamestown Township <u>Ottawa Co</u>	Laketown Township <u>Allegan Co</u>	Loutit District <u>Ottawa Co</u>	Manlius Township <u>Allegan Co</u>	Max Trans- portation Authority <u>Alleg/Ott Co</u>	Monterey Township <u>Allegan Co</u>
6.3043	2.7500	13.9314	1.8440	4.4871	5.3701	15.1085	1.6034	1.6675	6.1000	11.2303	1.0000	4.3282	4.7962	1.0988	6.0086	0.3989	5.8346
6.2852	2.7500	13.9090	1.7984	4.8651	5.3361	15.1085	1.6034	1.6703	6.1000	11.2303	1.0000	4.3004	4.8078	1.0924	5.9677	0.3969	5.8112
6.7231	2.7500	14.5066	1.7827	4.6117	5.2815	13.8682	1.6034	1.5089	6.3453	11.2303	1.0000	4.3140	3.5506	1.0879	5.9961	0.3964	5.7781
6.7284	2.7500	14.4767	1.7827	4.5861	5.2355	13.8692	1.6034	1.1434	4.8600	11.2303	1.0000	4.2776	3.5420	1.0839	5.9601	0.3921	5.7208
6.7148	2.7500	14.4736	1.7736	4.7192	5.1950	13.8692	1.6034	2.2415	4.8600	11.2303	1.0000	4.4591	3.5068	1.0839	5.8319	0.3894	5.6778
6.7071	2.2500	14.4678	1.7331	4.7038	5.3422	13.8692	1.5886	2.2188	4.8600	11.2303	1.0000	4.4343	3.5503	1.0804	5.8260	0.3838	5.6669
6.9740	2.2500	14.4534	1.6821	5.1061	5.5310	13.8692	1.5907	2.0858	4.8600	11.2303	1.0000	4.3764	3.9724	1.0763	6.3111	0.3791	5.9853
6.9506	2.2500	13.9370	1.6481	5.1322	5.4594	13.8692	1.5907	2.0105	4.8600	11.2303	1.0000	4.3065	3.9756	1.0673	6.2693	0.3953	5.8954
6.9506	2.2500	14.5091	1.6368	6.0322	5.4594	13.8692	1.5907	1.9705	4.8600	11.2303	1.0000	4.3454	3.9756	1.0673	5.9473	0.3953	5.8954
6.7744	2.2500	14.4620	1.6043	5.9035	5.4254	15.0492	1.5907	1.8172	4.8600	11.2303	1.0000	4.3079	3.9638	1.0550	6.1820	0.3912	5.8634

Overlapping Taxes (Municipality & Authority Levies/Millages)

Spring Lake Village <u>Ottawa Co</u>	Sullivan Township <u>Muskegon</u>	Tallmadge Township <u>Ottawa Co</u>	Special Assessment Saugatuck <u>Allegan Co</u>	Special Assessment Village of Douglas <u>Allegan Co</u>	Voted Library/ Pool/Fire/ Transit <u>Allegan Co</u>	Wright Township <u>Ottawa Co</u>	Zeeland City <u>Ottawa Co</u>	Zeeland Township <u>Ottawa Co</u>
12.3992	3.0151	2.2042	1.7000	1.7000	1.0173	2.7535	11.2354	6.7493
12.3749	2.9891	2.2022	1.7000	1.7000	0.9171	2.7535	11.2354	6.7311
12.4550	2.9597	2.2025	2.0000	2.0000	0.9139	2.7353	11.2354	6.7238
10.3600	2.9288	2.7477	2.0000	2.0000	1.1434	3.2274	11.2354	7.2794
10.3600	2.9152	2.7175	2.2000	2.0000	2.2415	3.2640	11.2354	6.7183
10.3600	2.8693	2.7899	2.2000	2.2000	2.2188	3.2577	10.2354	6.1901
10.3600	2.8307	2.7650	2.2000	2.2000	2.0858	2.9783	10.2347	6.6528
10.3600	2.8001	2.7978	2.2000	2.2000	2.0105	3.2087	9.7700	5.6956
10.3600	2.8001	2.7978	2.5000	2.5000	1.9705	3.0896	11.2347	5.6956
10.3600	2.7782	2.7856	2.5000	2.5000	1.8172	3.1117	11.2347	5.6772

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of Property Tax Data
Last Ten Years

Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Tax Levy	\$ 65,889,546	\$ 65,865,460	\$ 67,155,010	\$ 70,018,542	\$ 85,648,265	\$ 89,123,222	\$ 91,946,971	\$ 97,654,330	\$ 106,116,745	\$ 114,771,981
Current Tax Collections	65,567,322	65,445,869	66,685,043	70,009,435	85,623,846	89,034,781	92,092,449	97,637,993	106,182,397	114,234,594
Percentages of Collections	99.51%	99.36%	99.30%	99.99%	99.97%	99.90%	100.16%	99.98%	100.06%	99.53%
Total Delinquent Property Taxes-Current Year	322,224	419,591	469,967	9,107	24,419	88,441	(145,478)	16,337	(65,652)	537,387
Collections in subsequent years	583,380	13,388	31,595	16,334	11,276	(12,151)	(66,440)	113,620	59,717	-
Total Collection to date										
Amount Collected	66,150,702	65,459,257	66,716,638	70,025,769	85,635,123	89,022,630	92,026,009	97,751,613	106,242,114	114,234,594
Percentage of Tax Levy	100.40%	99.38%	99.35%	100.01%	99.98%	99.89%	100.09%	100.10%	100.12%	99.53%

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports and accounting records

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Property Tax Levies and Collection
Last 10 Fiscal Years

Year Ended June 30,	Original Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2015	\$ 62,839,855	\$ 62,558,535	99.55%	\$ 79,840	\$ 62,638,375	99.68%
2016	65,889,546	65,567,322	99.51%	583,380	66,150,702	100.40%
2017	65,865,460	65,445,869	99.36%	13,388	65,459,257	99.38%
2018	67,155,010	66,685,043	99.30%	31,595	66,716,638	99.35%
2019	70,018,542	70,009,435	99.99%	16,334	70,025,769	100.01%
2020	85,648,265	85,623,846	99.97%	11,276	85,635,123	99.98%
2021	89,123,222	89,034,781	99.90%	(12,151)	89,022,630	99.89%
2022	91,946,971	92,092,449	100.16%	(66,440)	92,026,009	100.09%
2023	97,654,330	97,637,993	99.98%	113,620	97,751,613	100.10%
2024	106,116,745	106,182,397	100.06%	59,717	106,242,114	100.12%
2025	114,771,981	114,234,594	99.53%	-	114,234,594	99.53%

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports and accounting records

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Principal Taxpayers (Top 10)
Current fiscal year and nine fiscal years ago

Tax Payer	Type of Business	2024 Taxable Value	2024 Rank	% of Total Taxable Value	2015 Taxable Value	2015 Rank	% of Total Taxable Value
Consumers Energy	Utility	\$ 441,847,620	1	2.67%	\$ 649,680,218	1	6.31%
Michigan Electric Transmission	Utility	59,917,178	2	0.36%	30,584,000	9	0.30%
Gentex	Automotive Components	44,810,712	3	0.27%	150,217,510	2	1.46%
Shape Corp	Metal Extension	42,655,700	4	0.26%	39,046,009	5	
DTE Gas	Utility	38,167,668	5	0.23%			
ARC Holland Real Estate Holdings	Real Estate Holdings	37,842,825	6	0.23%	31,354,800	8	0.30%
Herman Miller Inc.	Office Furniture	34,607,606	7	0.21%	32,069,151	6	0.31%
Meijer Inc.	Retail	19,070,323	8	0.12%			
Leprino Foods Inc	Cheese Production	19,048,431	9	0.11%	29,541,188	10	0.29%
Semco Energy, Inc	Housing	18,980,448	10	0.11%			
Fairlife, LLC	Food Products				81,239,600	3	0.79%
Mead Johnson & Company	Food Products				64,633,303	4	0.63%
Hoover Universal	Automotive Components				31,661,036	7	0.31%
Total		\$ 756,948,511		4.57%	\$ 1,140,026,815		11.07%
Total Taxable Value (Ottawa County):		\$ 16,569,764,018			\$ 10,297,569,794		

Source: Ottawa County 2024 Comprehensive Annual Financial Report

<https://www.miottawa.org/Departments/FiscalServices/audit.htm>

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Summary of State Aid Payments
Last Ten Fiscal Years

Year Ended June 30,	LEA Membership	ISD Membership	Sec 81 Intermediate School Districts Funding	
2016	49,092	454	\$	1,509,715
2017	49,594	465		1,509,715
2018	49,982	441		1,509,715
2019	50,092	434		1,539,909
2020	50,229	431		1,555,308
2021	49,892	422		1,555,308
2022	48,272	357		1,617,521
2023	48,100	332		1,701,632
2024	47,849	320		1,786,713
2025	47,516	294		1,786,713

Sources: Michigan Department of Education State Aid Status Reports

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding to Assessed Value
Last Ten Fiscal Years

Year Ended June 30	Estimated Population ²	Assessed Valuation ¹	General Obligation Bonds	Bond Premium	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net General Bonded Debt per Capita
2016	284,985	\$ 12,438,366,229	\$ 2,970,000	\$ 82,037	\$ 3,052,037	0.02%	\$ 11
2017	287,975	13,388,939,597	2,415,000	68,365	2,483,365	0.02%	9
2018	291,329	13,885,494,938	1,840,000	54,693	1,894,693	0.01%	7
2019	293,438	14,948,197,397	1,250,000	41,021	1,291,021	0.01%	4
2020	296,787	16,162,084,024	-	-	-	0.00%	-
2021	299,157	17,218,334,509	-	-	-	0.00%	-
2022	300,873	18,568,462,753	-	-	-	0.00%	-
2023	303,372	20,914,314,408	-	-	-	0.00%	-
2024	305,892	23,924,059,045	23,755,000	2,201,853	25,956,853	0.11%	85
2025	308,432	27,278,199,940	23,375,000	2,125,927	25,500,927	0.09%	83

Source: Ottawa Area Intermediate School District Audit Reports

¹ 2025 Ottawa County Equalization Department-Annual Equalization Report

² 2024 Ottawa County Audit Financial Statements

Note: 2016 and 2025 Population Estimates based on previous year increase.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding by Type
Last Ten Fiscal Years

Year Ended June 30	General Obligation Bonds	Bond Premium	Net General Bonded Debt	Taxable Value ¹	Percentage of Taxable Value	Estimated Population ²	Net General Bonded Debt per Capita	Personal Income ² (in thousands)	Percentage of Personal Income
2016	\$ 2,970,000	\$ 82,037	\$ 3,052,037	\$ 10,438,660,200	0.03%	281,985	\$ 11	\$ 12,197,346	0.03%
2017	2,415,000	68,365	2,483,365	10,827,868,387	0.02%	284,985	9	12,707,256	0.02%
2018	1,840,000	54,693	1,894,693	11,270,020,574	0.02%	287,975	7	13,380,957	0.01%
2019	1,250,000	41,021	1,291,021	11,880,407,296	0.01%	291,329	4	13,938,739	0.01%
2020	-	-	-	12,476,415,505	0.00%	293,438	-	14,431,649	0.00%
2021	-	-	-	13,028,827,301	0.00%	296,787	-	15,899,412	0.00%
2022	-	-	-	13,978,568,454	0.00%	299,157	-	17,621,225	0.00%
2023	-	-	-	15,169,064,251	0.00%	300,873	-	18,358,772	0.00%
2024	23,755,000	2,201,853	25,956,853	16,569,764,018	0.16%	303,372	86	19,192,878	0.14%
2025	23,375,000	2,125,927	25,500,927	17,669,653,726	0.14%	305,892	83	19,996,207	0.13%

Source: Ottawa Area Intermediate School District Audit Reports

¹ 2025 Ottawa County Equalization Department-Annual Equalization Report

² 2024 Ottawa County Audit Financial Statements, Prior Calendar Year

Note: 2025 Population Estimate based on previous year increase.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Schedule of Direct and Overlapping Debt
June 30, 2025

Direct Debt

2023 School Building and Site Bonds	\$ 23,375,000
-------------------------------------	---------------

Overlapping Debt

<u>Municipality</u>	(1) <u>District's Share</u>
Cities	\$ 132,059,320
Townships	135,359,385
Village	3,517,461
School Districts	1,089,331,321
Counties	85,869,445
Community Colleges	736,368
Libraries	5,102,466
Authority	18,245,000
Net Overlapping Debt	1,470,220,766
Total Direct and Net Overlapping Debt	\$ 1,493,595,766

Ratios:

2025 State Equalized Valuation (SEV)	\$ 27,278,199,940
2025 Taxable Value	17,669,653,726
2025 True Cash Value (TCV)	35,339,307,452
2025 Population Estimate	308,432
Net Direct Debt	23,375,000
Net Direct and Overlapping Debt	1,493,595,766
 Per Capita 2025 Taxable Value	 57,289
Per Capita 2025 State Equalized Valuation	88,441
Per Capita 2025 True Cash Value	114,577
Per Capita Direct Debt	76
Per Capita Direct and Overlapping Debt	4,843
Percent Net Direct Debt of 2025 Taxable Value	0.13%
Percent Net Direct and Overlapping Debt of 2025 Taxable Value	8.45%
Percent Net Direct Debt of 2025 State Equalized Valuation	0.09%
Percent Net Direct and Overlapping Debt of 2025 State Equalized Valuation	5.48%
Percent Net Direct Debt of 2025 True Cash Value	0.07%
Percent Net Direct and Overlapping Debt of 2025 True Cash Value	4.23%

Source: Michigan Municipal Advisory Council 2025, 2025 Ottawa County Equalization Report

Note: Calculation as of 6/30/2025

(1) Overlapping debt is determined by applying the percentage of the district's taxable value to the jurisdiction's entire taxable value times the jurisdiction's total tax supported debt.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Computation of Legal Debt Margin
Last Ten Fiscal Years

Year Ended June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State Equalized Valuation (SEV) ¹	\$ 13,639,970,200	\$ 14,269,023,315	\$ 15,323,435,668	\$ 15,844,583,513	\$ 17,065,294,342	\$ 18,406,848,315	\$ 19,686,470,699	\$ 21,165,315,434	\$ 23,828,763,208	\$ 27,278,199,940
Limited Tax Debt Limit - 1/9 of 1% of SEV ²	15,155,522	15,854,470	17,026,040	17,605,093	18,961,438	20,452,054	21,873,856	23,517,017	26,476,404	30,309,111
Limited Tax Bonds Outstanding	2,970,000	2,415,000	1,840,000	1,250,000	-	-	-	-	23,755,000	23,375,000
Limited Tax Debt Margin Available	<u>\$ 12,185,522</u>	<u>\$ 13,439,470</u>	<u>\$ 15,186,040</u>	<u>\$ 16,355,093</u>	<u>\$ 18,961,438</u>	<u>\$ 20,452,054</u>	<u>\$ 21,873,856</u>	<u>\$ 23,517,017</u>	<u>\$ 2,721,404</u>	<u>\$ 6,934,111</u>
Net debt subject to limit as % of debt limit	19.60%	15.23%	10.81%	7.10%	0.00%	0.00%	0.00%	0.00%	89.72%	77.12%

Sources:

¹ Ottawa, Allegan, and Muskegon County Equalization Departments
Ottawa Area Intermediate School District Audit Reports

² Per Section 629 (2) of the State Aid Act, An Intermediate School District board shall not borrow money or issue bonds for a sum that, together with the outstanding bonded indebtedness of the Intermediate School District, exceeds 1/9 of 1% of the state equalized value of the taxable property within the district, unless the question of borrowing the money or issuing bonds is submitted first to a vote of the school electors of the Intermediate School District in accordance with Act 451.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Ratio of Annual Debt Service for General Bonded Debt to Total Expenditures
Last Ten Fiscal Years

Year Ended June 30	Principal	Interest and Paying Agent Fees	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service to Total Expenditures
2016	\$ 540,000	\$ 116,775	\$ 656,775	\$ 106,782,533	0.62%
2017	555,000	104,625	659,625	119,185,995	0.55%
2018	575,000	87,975	662,975	120,151,181	0.55%
2019	590,000	73,600	663,600	126,361,724	0.53%
2020	1,250,000	50,000	1,300,000	141,301,802	0.92%
2021	-	-	-	145,087,843	0.00%
2022	-	-	-	157,937,298	0.00%
2023	-	-	-	173,326,335	0.00%
2024	670,000	1,263,221	1,933,221	196,561,562	0.98%
2025	380,000	1,188,743	1,568,743	207,930,177	0.75%

Source: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports

Notes: General obligation bonds were issued during fiscal year 2001.

General Obligation bonds were issued during fiscal year 2024.

Excludes transfers out.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Demographic and Economic Data
Last Ten Fiscal Years

Calendar Year	Estimated Population ¹	K-12 Enrollment ²	Personal Income ¹ (in thousands)	Per Capita Income ¹	Unemployment Rate ¹
2015	281,985	49,084	\$ 12,197,346	\$ 43,255	3.6%
2016	284,985	49,092	12,707,256	44,589	3.4%
2017	287,975	49,594	13,380,957	46,466	3.2%
2018	291,329	49,982	13,938,739	47,845	2.8%
2019	293,438	50,092	14,431,649	49,181	2.8%
2020	296,787	50,229	15,899,412	53,572	6.8%
2021	299,157	49,892	17,621,225	58,903	4.1%
2022	300,873	48,272	18,358,772	61,018	3.3%
2023	303,372	48,100	19,192,878	63,265	3.1%
2024	305,892	47,516	19,996,207	65,370	n/a

Sources:

¹ Ottawa County 2024 Audited Financial Statements

² August State Aid Status Report for each of the fiscal years beginning in listed calendar year

Note: 2024 population, personal income and per capita income estimated based on prior year increase.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Ottawa County Principal Employers
For the current fiscal year and nine years ago

Employer	Type of Business	2024		2015	
		Rank (1)	Percentage of Total County Employment	Rank (1)	Percentage of Total County Employment
Gentex Corporation	Automotive Mirrors	1	4.1%	1	4.2%
Grand Valley State University (2)	Higher Education	2	2.4%	3	2.9%
MillerKnoll	Office Furniture	3	2.1%	2	3.1%
Holland Hospital	Health Care	4	1.5%	5	1.7%
Shape Corporation	Metal Roll Forming	5	1.4%	4	2.2%
Meijer	Retailer	6	1.1%	9	1.2%
Hudsonville Public Schools	Public Education	7	1.0%		
Jenison Public Schools	Public Education	8	0.9%		
Tyson Foods	Food Processing	9	0.8%		
Zeeland Public Schools	Public Education	10	0.8%		
Haworth, Inc (1)	Office Furniture			6	1.7%
Magna Mirrors (1)	Automotive Mirrors			7	1.6%
YanFeng	Automotive Interiors			8	1.3%
Grand Haven Public Schools	Public Education			10	1.0%
			<u>16.1%</u>		<u>20.9%</u>

Source: Ottawa County 2024 Audited Financial Statements.
<https://www.miottawa.org/Departments/FiscalServices/audit.htm>

(1) 2015 data includes totals of facilities located within Ottawa County and/or the City of Holland portion of Allegan County, reporting was updated in 2020 to only include the Ottawa County portions of these facilities.

(2) Total of all facilities (Ottawa, Kent & Muskegon Counties)

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Full-time Equivalent School District Employees
Last Ten Fiscal Years

Function/ program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government:										
Instructional Services	234	246	249	256	260	235	236	231	238	227
Supporting Services	252	259	263	260	262	303	334	351	347	325
Community Services	-	2	1	2	2	4	5	5	7	7
Total	486	507	513	518	524	542	575	587	592	559

Sources:

Ottawa Area Intermediate School District payroll records

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Operating Indicators
Last Ten Fiscal Years

Year Ended June 30	Enrollment ¹	Operating Expenditures ²	Cost per Pupil	Operating Revenues	Revenue per Pupil	Total Teaching Staff ³	Average Teacher Salary ⁴
2016	49,092	\$ 105,913,655	\$ 2,157	\$ 109,355,148	\$ 2,228	234	\$ 58,426
2017	49,594	117,457,906	2,368	112,503,660	2,268	246	59,303
2018	49,982	118,275,962	2,366	113,098,180	2,263	249	60,192
2019	50,092	123,291,334	2,461	124,951,681	2,494	256	61,095
2020	50,229	138,134,832	2,750	144,313,121	2,873	260	66,492
2021	49,892	143,930,552	2,885	149,048,623	2,987	235	66,546
2022	48,272	154,081,921	3,192	154,758,544	3,206	236	66,717
2023	48,100	168,573,654	3,505	173,119,001	3,599	231	70,333
2024	47,849	178,150,825	3,723	188,704,219	3,944	238	72,640
2025	47,516	195,058,494	4,105	206,746,755	4,351	227	73,931

Sources: Ottawa Area Intermediate School District's Annual Comprehensive Financial Reports
Ottawa Area Intermediate School District Accounting and Payroll Records

¹Enrollment is final State Aid Status Report Blended Count

²Operating expenditures exclude Debt Service, Capital Outlay, and Other transactions

³Total Teaching Staff includes all Instruction, Pupil Support, and Instructional Support

⁴Average Teacher Salary and Pupil-Teacher Ratio is for Basic Instructional levels only.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Capital Asset Information
Last Ten Fiscal Years

Building	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Careerline Tech Center (1976)										
Acreage	33.14	33.14	33.14	33.14	33.14	33.14	33.14	33.14	33.14	33.14
Square feet	176,337	176,337	176,337	176,337	176,337	176,337	176,337	176,337	176,337	176,337
Enrollment	1,394	1,449	1,485	1,498	1,438	1,464	1,509	1,562	1,637	1,628
Educational Services Building (1979)										
Acreage	29.18	29.18	29.18	29.18	29.18	29.18	29.18	29.18	29.18	29.18
Square feet	42,640	42,640	42,640	42,640	42,640	42,640	42,640	42,640	42,640	42,640
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Ottawa Area Center (1972)										
Acreage	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Square feet	71,003	71,003	71,003	71,003	71,003	71,003	71,003	71,003	71,003	71,003
Enrollment	242	245	205	198	195	159	152	143	127	113
Sheldon Pines School (1983)										
Acreage	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77
Square feet	12,008	12,008	12,008	12,008	12,008	12,008	12,008	12,008	12,008	12,008
Enrollment	27	20	22	27	28	20	21	21	26	24
Thompson M-TEC (2000)										
Acreage	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50
Square feet	34,883	34,883	34,883	34,883	34,883	34,883	34,883	34,883	34,883	34,883
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Roerink-Knoll Education Center (2016)										
Acreage		1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96
Square feet		14,846	14,846	14,846	14,846	14,846	14,846	14,846	14,846	14,846
Enrollment		23	34	60	59	60	59	62	55	NA
Ottawa Area ISD/Elliot Ave Bldg (2016)										
Acreage		0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Square feet		9,044	9,044	9,044	9,044	9,044	9,044	9,044	9,044	9,044
Enrollment		42	40	40	40	45	50	44	57	51
Ottawa Area ISD/Felch St Bldg (2021)										
Acreage							4.17	4.17	4.17	4.17
Square feet							27,841	27,841	27,841	27,841
Enrollment							NA	NA	NA	99
Georgetown (2025)										
Acreage										2.64
Square feet										12,990
Enrollment										NA

Sources:

Ottawa Area Intermediate School District Maintenance and Operations Department
Ottawa Area Intermediate School District Pupil Accounting

Note: Prior to 2015/16 school year, OAC and YAS (Young Adult Services) numbers were combined.

**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 the
Ottawa Area Intermediate School District

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 Ottawa Area Intermediate School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Ottawa Area Intermediate School District's basic financial statements, and have issued our report thereon dated October 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ottawa Area Intermediate School District's 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 Ottawa Area Intermediate School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Ottawa Area Intermediate School District's 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 Ottawa Area Intermediate School District's 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.

Manes Costeiran PC

October 24, 2025



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

October 24, 2025

To the Board of Education of the
Ottawa Area Intermediate School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. 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. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Ottawa Area Intermediate School District are described in Note 1 to the financial statements. As described in Note 14 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 the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 were:

Estimates have been used to calculate the net pension liability and the net other postemployment benefit liability. We evaluated the key factors and assumptions used to develop the balance of the net pension liability and net other postemployment benefit liability in determining that they are reasonable in relation to the financial statements taken as a whole.

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

Management's determination of the estimated life span of the capital assets. We evaluated the key factors and assumptions used by management to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole. In addition, certain amounts included in capital assets have been estimated based on an outside appraisal company.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any sensitive disclosures.

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 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 the 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 24, 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 District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's 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) which are required and supplement 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 the other supplementary information, which accompany the financial statements but are not RSI. With respect to this other 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 other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the statistical information, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

A separate management letter was not issued.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of Ottawa Area Intermediate School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maney Costeiran PC