

Garden City Public Schools

Financial Statements

June 30, 2025



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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Garden City Public Schools
Members of the Board of Education and Administration
June 30, 2025

Members of the Board of Education

Jaime Beccaccio – President

Sarah Roffi – Vice President

Lynette Childress – Treasurer

Darlene Jablonowski – Secretary

Scott George – Trustee

Margie Sanders – Trustee

Jill Buterbaugh – Trustee

Administration

Derek Fisher – Superintendent

Steven Wisniewski – Chief Financial Officer

Independent Auditors' Report

Management and the Board of Education
Garden City Public Schools
Garden City, Michigan

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit, 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 Garden City Public Schools, as June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Garden City Public Schools, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, during the year ended June 30, 2025, Garden City Public Schools adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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 Garden City Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Garden City Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability or asset, schedule of the school district's OPEB contributions, schedule of changes in total OPEB liability and related ratios and schedule of the school district's contributions – single employer plan identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have

applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Garden City Public Schools' basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose 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 other supplementary information, as identified in the table of contents, 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 other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2025, on our consideration of Garden City Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Garden City Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Garden City Public Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Ann Arbor, MI
October 21, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Garden City Public Schools

Management's Discussion and Analysis

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

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Garden City Public Schools financially as a whole. The district-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds - the General Fund, Special Education Fund and Capital Project Funds, with all other funds presented in one column as nonmajor governmental funds.

Management's Discussion and Analysis (MD&A) (Required Supplemental Information)

Basic Financial Statements

District-wide Financial Statements
Fund Financial Statements
Notes to the Financial Statements

Required Supplementary Information

Budgetary Information for Major Funds
Schedule of the School District's Proportionate Share of the Net Pension and OPEB Liabilities
Schedule of the School District's Pension and OPEB Contributions
Schedule of Changes in Total OPEB Liability and Related Ratios
Schedule of the School District's Single Employer Plan Contributions

Other Supplementary Information

Reporting the School District as a Whole - District-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid. We refer to these statements as the district-wide statements.

These district-wide statements report the School District's net position - the difference between assets and liabilities, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, and athletics. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the School District's Most Significant Funds - Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. State law and bond covenants require that certain funds be established. However, the School District establishes other funds to help it control and manage money for particular purposes (the Debt and Food Service Funds are examples) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

Governmental Funds - All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds, and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations.

Garden City Public Schools

Management's Discussion and Analysis

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position as of June 30, 2025 and 2024.

TABLE 1	Governmental Activities	
	June 30,	
	2025	2024
	(in millions)	
Assets & Deferred Outflows		
Current and other assets	\$ 28.8	\$ 33.9
Capital assets	71.5	67.1
Net OPEB Asset	12.2	1.6
Deferred Outflows	<u>24.1</u>	<u>32.7</u>
Total assets & deferred outflows	136.6	135.3
Liabilities		
Current liabilities	10.5	11.2
Long-term liabilities	127.7	151.1
Deferred Inflows	<u>39.3</u>	<u>29.1</u>
Total liabilities & deferred inflows	177.5	191.4
Net Position		
Net investment in capital assets	15.0	11.9
Restricted	15.0	7.4
Unrestricted (deficit)	<u>(70.8)</u>	<u>(75.4)</u>
Total net position	<u>\$ (40.9)</u>	<u>\$ (56.1)</u>

The above analysis focuses on the net position (see Table 1). The change in net position (see Table 2) of the School District's governmental activities is discussed below. The School District's net position was (\$40.9) million at June 30, 2025. Capital assets, net of related debt totaling approximately \$15.0 million, compares the original cost, less depreciation of the School District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net position for day-to-day operations. The remaining amount of net position, (\$73.5) million, was unrestricted. The (\$73.5) million in unrestricted net

Garden City Public Schools

Management's Discussion and Analysis

position of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the School District as a whole are reported in the statement of activities (see Table 2), which shows the changes in net position for fiscal years 2025 and 2024.

TABLE 2	Governmental Activities	
	June 30,	
	2025	2024
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 0.2	\$ 0.2
Operating grants and contributions	39.2	38.4
General revenue:		
Property taxes	9.6	9.1
State aid	27.3	27.6
Other	1.2	1.8
Total revenue	<u>77.5</u>	<u>77.1</u>
Functions/program expenses		
Instruction	35.5	36.1
Supporting services	22.7	23.0
Food services	2.1	2.0
Community services and other	-	-
Interest and long-term debt	1.9	2.0
Total functions/program costs	<u>62.2</u>	<u>55.6</u>
Change in net position	15.3	14.0
Beginning net position (deficit)	<u>(56.1)</u>	<u>(70.1)</u>
Ending net position (deficit)	<u>\$ (40.8)</u>	<u>\$ 56.1</u>

Garden City Public Schools

Management's Discussion and Analysis

As reported in the statement of activities, the cost of all of our governmental activities this year was \$62.3 million. Certain activities were partially funded from those who benefited from the programs (*i.e.*, Charges for Services of \$0.2 million), or by other governments and organizations that subsidized certain programs with grants and contributions, (*i.e.*, Operating Grants and Contributions of \$39.2 million). We paid for the remaining public benefit portion of our governmental activities with \$9.6 million in taxes, \$27.3 million in state foundation allowance, and \$1.2 million with our other revenue (*i.e.*, interest and general entitlements).

The School District experienced a \$15.2 million increase in net position. More detailed information is presented in the reconciliation of the statement of revenue, expenditures, and changes in fund balances (deficit) of governmental funds to the statement of activities.

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

The School District's Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$18,278,541, which is a decrease of approximately \$4.5 million from last years' fund balance. The primary reasons for the decrease were due to a decrease in the 2022 Capital Projects Fund of \$3.9 million, a decrease in the Sinking Fund of \$2.7 million, a decrease in the Food Service Fund of \$528,000 which was partially offset by an increase in the General Fund of \$2.3 million. The 2022 Capital Projects Fund balance decrease was due to the remaining work for various bond construction projects that began during fiscal year 2022 and concluded as planned in 2025. As of June 30, 2025, all the funds in the 2022 Capital Projects Fund have been expensed. The decrease in the Food Service Fund was primarily driven by investments in new equipment in accordance with the School District's excess fund balance spend down plan. After planned spend down items, including major upgrades to the High School serving line, during the 25-26 fiscal year are completed, the School District should no longer have an excess fund balance in the Food Service Fund, as defined by the State of Michigan.

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in June 2025. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information of these financial statements.

Garden City Public Schools

Management's Discussion and Analysis

During the year, the budget was amended in a legally permissible manner. The budget for the 2024-25 school year was adopted prior to the State adopting the School Aid budget. The best available estimates were made at the time of the adoption but the budget was amended in June to reflect updated revenue, pupil counts and expenditures to align with actual amounts.

Significant amendments between the original and final budgets adopted during the year included a \$12,000 increase in Local revenue, a \$1.24 million increase in State Aid revenue, a \$147,000 increase in Federal Revenue and a \$387,000 increase in Incoming Transfers & Other revenue. The increase in State Aid revenue was primarily due to an increase in MPERS payments, Section 31aa funding and an increase in Special Education payments. The increase in Federal Revenue was primarily due to ESSER funding and the timing of expenses and the Incoming Transfers & Other revenue was primarily due to an increase in prior year Special Education reimbursements.

On the expenditure side of the budget, amendments between the original and final budgets totaled a \$1.49 million decrease in projected costs. The variance between the final estimated June 30, 2025 fund balance and the actual June 30, 2025 was \$4.69 million which resulted in a higher than anticipated increase in the fund balance.

Special Education Special Revenue Fund Budgetary Highlights

The program is operated by the School District for Wayne County RESA to provide instructional and non-instructional services for autistic impaired students from Wayne County. During the year, the budget was amended in a legally permissible manner. Revenue was amended to include a \$436,000 decrease in total operating revenue. Amendments to expenditures totaled a similar decrease of \$436,000.

The variance between budgeted Special Education Fund revenue and actual Special Education Fund revenue was \$311,000, resulting in higher than expected revenues. The variance between budgeted Special Education Fund expenditures and actual Special Education Fund expenditures was also an increase of \$311,000.

Garden City Public Schools

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025, the School District had \$71.5 million invested in a broad range of capital assets, including construction in progress, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of approximately \$4.4 million.

	2025	2024
Construction in progress	\$ 1,981,143	\$ 47,392,056
Building and site improvements	115,417,551	63,924,447
Equipment and furniture	8,102,782	6,843,434
Buses and other vehicles	<u>2,121,947</u>	<u>2,221,149</u>
Total capital assets	127,623,423	120,381,086
Less accumulated depreciation	<u>(56,129,145)</u>	<u>(53,292,382)</u>
Net capital assets	<u>\$ 71,494,278</u>	<u>\$ 67,088,704</u>

This year's capital asset additions included building and site improvements, furniture, and equipment. We present more detailed information about our capital assets in the notes to the financial statements.

Debt

At the end of this year, the School District had \$50.4 million in bonds outstanding versus \$52.3 million in the previous year. Those bonds consisted of the following:

	2025	2024
2016 General Obligation Bonds	\$ 9,005,000	\$ 10,530,000
2020 Building & Site Bonds	28,970,000	29,070,000
2022 Building & Site Bonds	<u>12,400,000</u>	<u>12,720,000</u>
Total	<u>\$ 50,375,000</u>	<u>\$ 52,320,000</u>

The School District's general obligation bond rating was rated by S&P as an AA due to the District's participation in the School Bond Qualification and Loan Program. The District received an underlying rating from S&P of A-. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2025 fiscal year budget. Approximately 81 percent of total General Fund revenue is from the state aid. Under state law, the School District cannot assess additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations. In November 2024, voters in Wayne County renewed the Regional Enhancement Millage for a six-year period, adding additional years to the end of the existing millage and extending it through the 2033–2034 school year. The District's share of this millage was approximately \$1.3 million in fiscal year 2025 and is expected to remain relatively consistent in 2025–2026.

One of the most important factors affecting the District's budget is student enrollment. The District has experienced declining enrollment for nearly a decade; however, that decline has leveled off over the past three years and student enrollment has remained steady since 2022. Based on birth rates in Wayne County, the declining enrollment trend could continue for several more years. School of Choice students may partially offset any future declines in enrollment. The initial 2025-26 budget adopted in June 2025 was based on an estimate of students that will be enrolled in October 2025. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations. The District has made significant progress towards long-term fiscal health, as the District's accumulated equity fund balance in the General Fund is approximately \$14.2 million.

The COVID-19 pandemic has created considerable challenges to predicting the revenues and expenditures required to operate the School District in 2024-25 and beyond. The School District has received over \$1.2 million in Federal funding in 2024-25 to help offset the added costs of dealing with the impacts of the pandemic. This was the final year in which the School District anticipates receiving Federal funds designated for COVID relief and properly addressing the impact of the ends of those funds is a major consideration for budgeting going forward. While enrollment continues to be uncertain, the School District maintains a healthy fund balance, which to date, has only been used strategically for specific purposes.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it receives. If you have any questions about this report or need additional information, contact Steve Wisniewski, Chief Financial Officer, Garden City Public Schools, 1333 Radcliff, Garden City, MI 48135.

BASIC FINANCIAL STATEMENTS

Garden City Public Schools
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash	\$ 17,893,204
Accounts receivable	11,961
Due from other governmental units	10,491,483
Inventory	36,156
Prepaid items	350,243
Capital assets not being depreciated	1,981,143
Capital assets - net of accumulated depreciation	69,513,135
Net OPEB asset	<u>12,169,265</u>
 Total assets	 <u>112,446,590</u>
Deferred Outflows of Resources	
Deferred amount on debt refunding	239,638
Deferred amount relating to the net pension liability	20,651,029
Deferred amount relating to the net OPEB asset	<u>3,235,640</u>
 Total deferred outflows of resources	 <u>24,126,307</u>
Liabilities	
Accounts payable	700,579
Due to other governmental units	695,848
Payroll deductions and withholdings	7,759
Accrued expenditures	510,220
Accrued salaries payable	5,667,604
Unearned revenue	2,929,185
Long-term liabilities	
Net pension liability	68,910,637
Total OPEB liability - single employer plan	318,764
Due within one year	2,873,725
Due in more than one year	<u>55,580,823</u>
 Total liabilities	 <u>138,195,144</u>

See Accompanying Notes to the Financial Statements

Garden City Public Schools
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	\$ 23,225,275
Deferred amount relating to the net OPEB asset	15,976,908
Deferred amount on total OPEB liability - single employer plan	<u>53,125</u>
 Total deferred inflows of resources	 <u>39,255,308</u>
 Net Position	
Net investment in capital assets	14,963,851
Restricted for:	
Food service	780,137
Debt service	892,144
Capital projects	1,117,980
Net OPEB asset	12,169,265
Unrestricted	<u>(70,800,932)</u>
 Total net position	 <u>\$ (40,877,555)</u>

See Accompanying Notes to the Financial Statements

Garden City Public Schools
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues		Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Functions/Programs				
Governmental activities				
Instruction	\$ 35,494,415	\$ -	\$ 16,399,625	\$ (19,094,790)
Supporting services	22,683,965	-	20,810,958	(1,873,007)
Food services	2,138,063	114,937	1,991,226	(31,900)
Community services	28,688	53,356	-	24,668
Interest and fiscal charges on long-term debt	<u>1,921,963</u>	<u>-</u>	<u>-</u>	<u>(1,921,963)</u>
Total governmental activities	<u>\$ 62,267,094</u>	<u>\$ 168,293</u>	<u>\$ 39,201,809</u>	<u>(22,896,992)</u>
General revenues				
Property taxes, levied for general purposes				3,809,956
Property taxes, levied for debt service				4,518,844
Property taxes, levied for sinking fund				1,289,462
State aid - unrestricted				27,334,201
Interest and investment earnings				778,925
Other				<u>373,310</u>
Total general revenues				<u>38,104,698</u>
Change in net position				15,207,706
Net position - beginning				<u>(56,085,261)</u>
Net position - ending				<u>\$ (40,877,555)</u>

See Accompanying Notes to the Financial Statements

Garden City Public Schools
Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Special Revenue Fund Special Education Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 13,943,519	\$ -	\$ 3,949,685	\$ 17,893,204
Accounts receivable	11,961	-	-	11,961
Due from other funds	-	1,635,457	233,939	1,869,396
Due from other governmental units	10,413,198	-	78,285	10,491,483
Inventory	13,603	-	22,553	36,156
Prepaid items	350,243	-	-	350,243
Total assets	<u>\$ 24,732,524</u>	<u>\$ 1,635,457</u>	<u>\$ 4,284,462</u>	<u>\$ 30,652,443</u>
Liabilities				
Accounts payable	\$ 363,826	\$ 139,245	\$ 197,508	\$ 700,579
Due to other funds	2,189,545	-	51,740	2,241,285
Due to other governmental units	695,848	-	-	695,848
Payroll deductions and withholdings	7,759	-	-	7,759
Accrued expenditures	127,959	-	-	127,959
Accrued salaries payable	4,362,091	1,305,513	-	5,667,604
Unearned revenue	2,738,486	190,699	-	2,929,185
Total liabilities	<u>10,485,514</u>	<u>1,635,457</u>	<u>249,248</u>	<u>12,370,219</u>

See Accompanying Notes to the Financial Statements

Garden City Public Schools
Governmental Funds
Balance Sheet
June 30, 2025

		Special Revenue Fund		
	General Fund	Special Education Fund	Nonmajor Governmental Funds	Total Governmental Funds
Deferred Inflows of Resources				
Unavailable revenue				
Grants received	\$ 3,683	\$ -	\$ -	\$ 3,683
Fund Balances				
Non-spendable				
Inventory	13,603	-	22,553	36,156
Prepaid items	350,243	-	-	350,243
Restricted for				
Food service	-	-	757,584	757,584
Debt service	-	-	1,274,405	1,274,405
Capital projects	-	-	1,117,980	1,117,980
Committed	-	-	862,692	862,692
Assigned	1,201,917	-	-	1,201,917
Unassigned	12,677,564	-	-	12,677,564
	<u>14,243,327</u>	<u>-</u>	<u>4,035,214</u>	<u>18,278,541</u>
Total fund balances				
	<u>\$ 24,732,524</u>	<u>\$ 1,635,457</u>	<u>\$ 4,284,462</u>	<u>\$ 30,652,443</u>
Total liabilities, deferred inflows of resources, and fund balances				

See Accompanying Notes to the Financial Statements

Garden City Public Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances for governmental funds	\$ 18,278,541
Total net position for governmental activities in the statement of net position is different because:	
Certain receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	
Other governmental units	3,683
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	1,981,143
Capital assets - net of accumulated depreciation	69,513,135
Net OPEB asset is not recorded as an asset in the governmental funds	12,169,265
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	239,638
Deferred outflows of resources resulting from the net pension liability	20,651,029
Deferred outflows of resources resulting from the net OPEB asset	3,235,640
Deferred inflows of resources resulting from the net pension liability	(23,225,275)
Deferred inflows of resources resulting from the net OPEB asset	(15,976,908)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(382,261)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability	(68,910,637)
Compensated absences	(1,684,483)
Bonds payable	<u>(56,770,065)</u>
Net position of governmental activities	<u>\$ (40,877,555)</u>

See Accompanying Notes to the Financial Statements

Garden City Public Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

		Special Revenue Fund	Capital Project Funds			
	General Fund	Special Education Fund	2022 Capital Projects Fund	Sinking Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Local sources	\$ 4,867,015	\$ -			\$ 6,753,369	\$ 11,620,384
State sources	49,318,855	-			162,261	49,481,116
Federal sources	3,630,775	427,392			1,852,388	5,910,555
Interdistrict sources	<u>2,813,274</u>	<u>7,645,788</u>			<u>-</u>	<u>10,459,062</u>
Total revenues	<u>60,629,919</u>	<u>8,073,180</u>			<u>8,768,018</u>	<u>77,471,117</u>
Expenditures						
Current						
Education						
Instruction	29,096,935	11,013,181			-	40,110,116
Supporting services	21,417,365	4,209,711			479,531	26,106,607
Food services	-	-			2,353,298	2,353,298
Community services	28,688	-			-	28,688
Capital outlay	668,614	-			8,298,606	8,967,220
Debt service						
Principal	-	-			1,945,000	1,945,000
Interest and other expenditures	<u>-</u>	<u>-</u>			<u>2,509,284</u>	<u>2,509,284</u>
Total expenditures	<u>51,211,602</u>	<u>15,222,892</u>			<u>15,585,719</u>	<u>82,020,213</u>
Excess (deficiency) of revenues over expenditures	<u>9,418,317</u>	<u>(7,149,712)</u>			<u>(6,817,701)</u>	<u>(4,549,096)</u>

See Accompanying Notes to the Financial Statements

Garden City Public Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

		Special Revenue Fund	Capital Project Funds			
	General Fund	Special Education Fund	2022 Capital Projects Fund	Sinking Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)						
Transfers in	\$ 50,186	\$ 7,149,712			\$ 20	\$ 7,199,918
Transfers out	<u>(7,149,732)</u>	<u>-</u>			<u>-</u>	<u>(7,149,732)</u>
Total other financing sources (uses)	<u>(7,099,546)</u>	<u>7,149,712</u>			<u>20</u>	<u>50,186</u>
Net change in fund balances	<u>2,318,771</u>	<u>-</u>			<u>(6,817,681)</u>	<u>(4,498,910)</u>
Fund balances - beginning, as previously presented	11,924,556	-	3,878,998	3,780,922	3,192,975	22,777,451
Change within financial reporting entity (between major and nonmajor funds)	<u>-</u>	<u>-</u>	<u>(3,878,998)</u>	<u>(3,780,922)</u>	<u>7,659,920</u>	<u>-</u>
Fund balances - beginning, as adjusted	<u>11,924,556</u>	<u>-</u>			<u>10,852,895</u>	<u>22,777,451</u>
Fund balances - ending	<u>\$ 14,243,327</u>	<u>\$ -</u>			<u>\$ 4,035,214</u>	<u>\$ 18,278,541</u>

See Accompanying Notes to the Financial Statements

Garden City Public Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - Total governmental funds	\$ (4,498,910)
Total change in net position reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Operating grants	3,683
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation and amortization expense	(3,278,487)
Capital outlay	7,736,873
Sale of capital assets (net book value)	(52,812)
Expenses are recorded when incurred in the statement of activities.	
Interest	15,253
Compensated absences	(452,542)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	21,292,884
Net change in deferrals of resources related to the net pension liability	(12,835,235)
The statement of net position reports the net OPEB asset and deferred outflows of resources and deferred inflows related to the net OPEB asset and OPEB changes. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB asset	10,600,430
Net change in deferrals of resources related to the net OPEB asset	(5,840,499)
Bond and note proceeds and leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.	
Repayments of long-term debt	1,945,000
Amortization of premiums	612,007
Amortization of deferred amount on debt refunding	(39,939)
Change in net position of governmental activities	\$ 15,207,706

See Accompanying Notes to the Financial Statements

Garden City Public Schools
Proprietary Fund
Internal Service Fund
Statement of Net Position
June 30, 2025

	Internal Service Fund
Assets	
Due from other funds	\$ 371,889
Liabilities	
Total OPEB liability	318,764
Deferred inflows of resources	
Deferred amount relating to total OPEB liability - single employer plan	53,125
Net position restricted for OPEB	\$ -

See Accompanying Notes to the Financial Statements

Garden City Public Schools
Proprietary Fund
Internal Service Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2025

	Internal Service Fund
	<u> </u>
Expenses	
Other post employment benefits	\$ (50,186)
Other Financing Uses	
Transfers out	<u>(50,186)</u>
Total operating expense	<u>(50,186)</u>
Change in net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

See Accompanying Notes to the Financial Statements

Garden City Public Schools
Proprietary Fund
Internal Service Fund
Statement of Cash Flows
For the Year Ended June 30, 2025

	Internal Service Fund
Cash flows from operating activities	
Employee contributions	\$ (50,186)
Fringes benefits	<u>50,186</u>
Net cash provided (used) by operating activities	-
Cash and cash equivalents - beginning	<u>-</u>
Cash and cash equivalents - ending	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash from operating activities	
Change in net position	\$ -
Adjustments to reconcile operating loss to net cash provided by operating activities	
Change in assets and liabilities	
Due from other funds	50,186
Total OPEB liability	(30,447)
Total OPEB Liability - deferred inflows of resources	<u>(19,739)</u>
Net cash provided (used) by operating activities	<u><u>\$ -</u></u>

See Accompanying Notes to the Financial Statements

Garden City Public Schools

Notes to the Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Garden City Public Schools (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the School District as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by

general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements

Separate financial statements are provided for governmental and proprietary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be

Garden City Public Schools

Notes to the Financial Statements

June 30, 2025

susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The proprietary statements also are reported using the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The only proprietary fund maintained is an Internal Service Fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The School District reports the following major governmental funds:

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Special Education Fund – The Special Education Fund consists of those activities involved in operating the programs necessary to provide for the education of students identified as needing special education services. The Fund's revenue sources include property taxes, federal and state sources, and inter-governmental reimbursements.

Additionally, the School District reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Funds include the Food Service Fund and the Student Activities and Scholarships Fund. Operating deficits generated by these activities are generally transferred from the General Fund.

Debt Service Fund – Debt Service Funds are used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on the 2016 refunding issue of long-term debt.

Sinking Fund – The Sinking Fund is used to record the sinking fund property tax levy and other revenue and the disbursement of invoices specifically for acquiring new school sites, construction, or repair of school buildings.

2025 Sinking Fund – The Sinking Fund is used to record the sinking fund property tax levy and other revenue and the disbursement of invoices specifically for acquiring new school sites, construction, or repair of school buildings.

2022 Capital Projects Fund – The 2022 Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished.

Internal Service Fund – The School District's proprietary fund is the Internal Service Fund. The purpose of the fund is to finance services provided to other funds of the School District on a cost-reimbursement basis. The Internal Service Fund maintained by the School District accounts for early retirement incentives and other postemployment benefits. It is funded through charges primarily from the General Fund.

Assets, Liabilities and Net Position or Fund Balance

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as "due from/to other funds". These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

Garden City Public Schools

Notes to the Financial Statements

June 30, 2025

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2025, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non-principal residence exemption	18.00000
Commercial personal property	6.00000
Debt Service Funds	
	6.30000
Sinking Fund	1.79600

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. All of the School District's tax roll lies within Wayne County.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of February 28 are purchased by the County of Wayne and remitted to the School District by June 30.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District

follows the consumption method, and they therefore are capitalized as prepaid items in both district-wide and fund financial statements.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized.

The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20 - 50 years
Equipment and furniture	5 - 20 years
Buses and other vehicles	5 - 8 years

Deferred Outflows of Resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refunding are included in the district-wide financials statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities (assets) are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the

Garden City Public Schools
Notes to the Financial Statements
June 30, 2025

measurement date. This amount will reduce the net pension and OPEB liabilities (assets) in the following year.

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities (assets) are deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Compensated Absences – The liability for compensated absences reported in the district-wide financial statements consists of earned but unused accumulated vacation, sick leave, and retirement benefits. The liability has been calculated using historical averages of time that is more likely to be used or paid out in accordance with the School District's time off policies and bargaining unit agreements.

Other Postemployment Benefits – Single Employer Plan – The liability for other postemployment benefits reported in the district-wide statements consists of contractual obligations for the School District to reimburse eligible retirees for health insurance premiums.

Long-term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are

deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period.

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

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

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

Fund Balance – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – amounts that are not available in a spendable form.

Garden City Public Schools

Notes to the Financial Statements

June 30, 2025

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts that have been formally set aside by the Board of Education for a specific purpose. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned – amounts intended to be used for specific purposes, as determined by Board of Education. The Board of Education has the authority to assign funds. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

The School District has adopted a minimum fund balance policy. The fund balance policy prescribes the minimum fund balance as 15 percent of the current fiscal year's total budgeted expenditures. This is deemed to be a prudent amount to maintain the School District's ability to meet obligations as they come due throughout the year. The District is in compliance with their policy.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the

reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints.

Upcoming Accounting and Reporting Changes

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

Garden City Public Schools

Notes to the Financial Statements

June 30, 2025

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 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 as-sets 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. This statement is effective for the year ending June 30, 2026.

The School District is evaluating the impact that the above pronouncements will have on its financial reporting.

Note 2 – Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the activity level. State law requires the School District to have its budget in place by July 1. A school district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent and Chief Financial Officer are authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year.

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Added needs	\$ 8,742,356	\$ 8,745,692	\$ 3,336
Pupil	5,877,929	5,911,330	33,401
General administration	668,581	685,770	17,189
School administration	3,739,362	3,744,282	4,920
Pupil transportation services	1,453,784	1,497,819	44,035
Central	2,128,505	2,152,203	23,698
Athletic activities	505,609	549,524	43,915
Transfers out	6,900,000	7,149,732	249,732
Special Education Fund			
Instruction	10,916,020	11,013,181	97,161
Supporting services	3,985,782	4,209,711	223,929
Food Service Fund			
Supporting services	2,632,076	2,634,186	2,110
Student Activity Fund			
Supporting services	350,000	479,531	129,531

Garden City Public Schools

Notes to the Financial Statements

June 30, 2025

Compliance - Bond Proceeds

The Capital Projects Fund includes capital project activities funded with bonds. For this capital project, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. The fund is considered substantially complete as of year end.

Beginning with the year of bond issuance, the school district has reported the annual construction activity in the 2022 Capital Projects Fund. The project for which the 2022 Building and Site Bonds, were issued was considered complete on June 30, 2025 and the cumulative expenditures recognized for the construction period were \$15,162,743.

Compliance Sinking Funds

The School District's Sinking Funds record capital project activities funded with Sinking Fund millage. For these fund, the school district has complied with the applicable provisions of Section 1212 of the Revised School Code.

Note 3 – Deposits and Investments

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 2,948,478
Investments in securities, mutual funds, and similar vehicles	14,944,351
Petty cash and cash on hand	<u>375</u>
 Total	 <u><u>\$ 17,893,204</u></u>

As of year end, the School District had the following investments:

Investment	Carrying Value	Maturities	Rating	Rating Organization
External investment pools:				
Michigan Liquid Asset Fund (MILAF):				
MILAF + Portfolio				
Cash Management Class	\$ 781	6 Month Ave	AAAm	Standard & Poor's
MAX Class	<u>14,943,570</u>	6 Month Ave	AAAm	Standard & Poor's
	<u>\$ 14,944,351</u>			

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is discussed below.

As of June 30, 2025 the net asset value of the School District's investment in MILAF + Portfolio was \$14,944,351. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustee's may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of \$1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

Interest rate risk – This is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's policy minimized interest rate risk 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

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market, and investment operating funds primarily in short-term securities, liquid asset funds, money market mutual funds, or similar instrument pools and limiting the average maturity in accordance with the School District's cash requirements.

Credit risk – State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District does not have an investment policy further limiting its investment choices. The School District does not have a policy for credit risk and does not have any investments held at year end subject to credit risk.

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

Concentration of credit risk – The School District places no limit on the amount the School District may invest in any one issuer. The School District does not have investments in any one issuer of more than 5 percent of the School District's total investments.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year end, \$3,122,412 of the School District's bank balance of \$3,388,396 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will

not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have a policy for custodial credit risk of investments and does not have investments with custodial credit risk.

Note 4 – Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Construction-in-progress	\$47,392,056	\$ 1,240,143	\$46,651,056	\$ 1,981,143
Capital assets being depreciated				
Buildings and site improvements	63,924,447	51,493,104	-	115,417,551
Equipment and furniture	6,843,434	1,259,348	-	8,102,782
Buses and other vehicles	2,221,149	395,334	494,536	2,121,947
Total capital assets being depreciated	72,989,030	53,147,786	494,536	125,642,280
Less accumulated depreciation for				
Buildings and site improvements	45,804,426	2,697,780	-	48,502,206
Equipment and furniture	5,725,821	447,282	-	6,173,103
Buses and other vehicles	1,762,135	133,425	441,724	1,453,836
Total accumulated depreciation	53,292,382	3,278,487	441,724	56,129,145
Net capital assets being depreciated	19,696,648	49,869,299	52,812	69,513,135
Net capital assets	\$67,088,704	\$51,109,442	\$46,703,868	\$71,494,278

Depreciation expense was charged to activities of the School District as follows:

Governmental activities	
Instruction	\$ 2,294,941
Supporting services	983,546
Total governmental activities	<u>\$ 3,278,487</u>

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Construction Contracts

As of year end, the School District has the following construction contracts in progress:

Project	Total Contract	Remaining Construction Commitment at Year End
Lathers Roof	\$ 674,887	\$ 344,900
Middle School Field	<u>1,747,328</u>	<u>196,300</u>
Total	<u>\$ 2,422,215</u>	<u>\$ 541,200</u>

Note 5 – Interfund Receivables, Payables, and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 182,199
General Fund	Special Education Fund	1,635,457
Nonmajor Governmental Funds	Nonmajor Governmental Funds	51,740
General Fund	Internal Service Fund	<u>371,889</u>
		<u>\$ 2,241,285</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between pooled cash funds are made.

Interfund transfers consist of the following:

	Transfers Out		
	General Fund	Internal Service Fund	Total
Transfers in			
General Fund	\$ -	\$ 50,186	\$ 50,186
Special Education Fund	7,149,712	-	7,149,712
Nonmajor Governmental Funds	<u>20</u>	<u>-</u>	<u>20</u>
	<u>\$ 7,149,732</u>	<u>\$ 50,186</u>	<u>\$ 7,199,918</u>

Transfers from the General Fund to the Special Education Fund were for excess costs related to operations of the Special Education Fund. The transfers from the Internal Service Fund to the General Fund were for reimbursement of expenditures paid for by the General Fund.

Note 6 – Unearned Revenue

Governmental funds report revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>\$ 2,929,185</u>
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Note 7 – Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make

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a bond payment on behalf of the School District related to qualified bonds. Other long-term obligations include compensated absences.

Future principal and interest requirements for bonded debt are as follows:

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and notes payable					
General obligation bonds	\$52,320,000	\$ -	\$1,945,000	\$50,375,000	\$2,000,000
Premium on bonds	7,007,072	-	612,007	6,395,065	-
Total bonds payable	<u>59,327,072</u>	<u>-</u>	<u>2,557,007</u>	<u>56,770,065</u>	<u>2,000,000</u>
Other liabilities					
Compensated absences	1,231,941	452,542	-	1,684,483	873,725
Other postemployment benefits	349,211	-	30,447	318,764	-
Total other liabilities	<u>1,581,152</u>	<u>452,542</u>	<u>30,447</u>	<u>2,003,247</u>	<u>873,725</u>
Total	<u>\$60,908,224</u>	<u>\$ 452,542</u>	<u>\$2,587,454</u>	<u>\$58,773,312</u>	<u>\$2,873,725</u>

General obligation bonds payable at year end, consist of the following:

\$22,085,000 of 2016 refunding bond due in annual installments of \$1,465,000 to \$1,530,000 through 5/1/2031, interest at 5.00%	\$ 9,005,000
\$29,320,000 of 2020 Building & Site bond due in annual installments of \$150,000 to \$2,450,000 through 5/1/2046, interest at 3.00 - 5.00%	28,970,000
\$13,330,000 of 2022 Building & Site bond due in annual installments of \$335,000 to \$835,000 through 5/1/2048, interest at 4.00 - 5.00%	<u>12,400,000</u>
Total general obligation bonded debt	<u>\$ 50,375,000</u>

Year Ending June 30,	Bonds	
	Principal	Interest
2026	\$ 2,000,000	\$ 2,406,700
2027	2,015,000	2,309,700
2028	2,090,000	2,211,950
2029	2,160,000	2,109,700
2030	2,245,000	2,004,700
2031-2035	9,630,000	8,493,800
2036-2040	11,260,000	6,092,950
2041-2045	14,115,000	3,229,462
2046-2050	<u>4,860,000</u>	<u>366,750</u>
Total	<u>\$ 50,375,000</u>	<u>\$ 29,225,712</u>

The general obligation bonds are payable from the Debt Service Funds. As of year end, the fund had a balance of \$1,274,405 to pay this debt. Future debt and interest will be payable from future tax levies.

Compensated Absences

Accrued compensated absences at year end, consist of \$1,684,483 in accrued vacation, sick leave, and retirement benefits that is earned as of June 30, 2025, and more likely than not to be used or paid in future years. The amount anticipated to be paid over the next year is included within the amounts listed as due within one year. Compensated absences additions and deductions are reported net.

Deferred Amount on Refunding

The 2016 advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$599,089. This amount is reported in the accompanying statement of

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net position as a deferred inflow of resources and is being charged to activities through fiscal year 2031.

Debt refunding activity is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Deferred amount on refunding	\$ 279,577	\$ -	\$ 39,939	\$ 239,638

Note 8 – Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District participates in the Michigan Association for Improved School Legislation (MAISL) risk pool for claims relating to property loss, torts, errors and omissions, cyber liability and employee injuries (workers' compensation); the School District is insured for vision and dental claims.

The shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 9 – Pension Plans

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employers, 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. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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

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

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25

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percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023, valuation will be amortized over a 15-year period beginning October 1, 2023, and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2024.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	23.03%
Member Investment Plan	3.0 - 7.0%	23.03%
Pension Plus	3.0 - 6.4%	19.17%
Pension Plus 2	6.2%	20.10%
Defined Contribution	0.0%	13.90%

Required contributions to the pension plan from the School District were \$11,768,035 for the year ending September 30, 2024.

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

At June 30, 2025, the School District reported a liability of \$68,910,637 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2023. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2024, the School District's proportion was 0.2815 percent, which was an increase of 0.0028 percent from its proportion measured as of September 30, 2023.

For the plan year ending September 30, 2024, the School District recognized pension expense of \$5,494,424, for the measurement period. For the reporting period ending June 30, 2025, the School District recognized total pension contribution expense of \$11,581,079.

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At June 30, 2025, the School District 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	Total
Difference between expected and actual experience	\$ 1,869,594	\$ (748,723)	\$ 1,120,871
Changes of assumptions	7,184,342	(5,048,970)	2,135,372
Net difference between projected and actual earnings on pension plan investments	-	(13,151,071)	(13,151,071)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>653,745</u>	<u>(1,159,565)</u>	<u>(505,820)</u>
Total to be recognized in future	9,707,681	(20,108,329)	(10,400,648)
School District contributions subsequent to the measurement date	<u>10,943,348</u>	<u>(3,116,946)</u>	<u>7,826,402</u>
Total	<u>\$20,651,029</u>	<u>\$ (23,225,275)</u>	<u>\$ (2,574,246)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. The District will offset the contribution expense in the year ended June 30, 2026, with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2025	\$ (2,394,462)
2026	197,526
2027	(4,865,269)
2028	<u>(3,338,443)</u>
	<u><u>\$(10,400,648)</u></u>

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2023

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- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans: 6.00% net of investment expenses
 - Pension Plus Plan: 6.00% net of investment expenses
 - Pension Plus 2 Plan: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 - 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
 - Retirees: PubT-2010 Male and Female Retiree Healthy Annuitant Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

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

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 4.4612 years.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2024 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024, are summarized in the following table:

	Target	Long Term Expected Real
Asset Class	Allocation	Rate of Return*
Domestic Equity Pools	25.0 %	5.3%
Private Equity Pools	16.0	9.0
International Equity	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 rates of return are net of administrative expenses and 2.3% inflation.*

Rate of Return

For the plan year ended September 30, 2024, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 15.47%. The money-weighted rate of return

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expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan). 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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.

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension plus plan, 6.00% for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

	Current Single Discount Rate Assumption	
1% Decrease 5.00%		1% Increase 7.00%
\$ 101,023,734	\$ 68,910,637	\$ 42,170,305

Michigan Public School Employees' Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public School Employees' Retirement System (MPERS)

There were no significant payables to the pension plan that are not ordinary accruals to the School District.

Note 10 – Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employers, 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. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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

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The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

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

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 were deposited into their 401(k) account.

Contributions

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

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

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The schedule below summarizes OPEB contribution rates in effect for plan year 2024.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.31%
Personal Healthcare Fund (PHF)	0.0%	7.06%

Required contributions to the OPEB plan from the School District were \$2,349,961 for the year ended September 30, 2024.

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

At June 30, 2025, the School District reported an asset of \$12,169,265 for its proportionate share of the MPSERS net OPEB liability (asset). The net OPEB asset was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2023. The School District's proportion of the net OPEB asset was determined by dividing each employers statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2024, the School District's proportion was 0.2827 percent, which was an increase of 0.0054 percent from its proportion measured as of September 30, 2023.

For the plan year ending September 30, 2024, the School District recognized OPEB expense of (\$4,287,985) for the measurement period. For the reporting period ending June 30, 2025, the School District recognized total OPEB contribution expense of \$474,653.

At June 30, 2025, the School District 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	Total
Difference between expected and actual experience	\$ -	\$ (12,895,704)	\$ (12,895,704)
Changes of assumptions	2,657,943	(305,508)	2,352,435
Net difference between projected and actual earnings on OPEB plan investments	-	(2,303,781)	(2,303,781)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	351,594	(471,915)	(120,321)
Total to be recognized in future	3,009,537	(15,976,908)	(12,967,371)
School District contributions subsequent to the measurement date	226,103	-	226,103
Total	<u>\$ 3,235,640</u>	<u>\$ (15,976,908)</u>	<u>\$ (12,741,268)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as an addition to the net OPEB asset in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred

Garden City Public Schools

Notes to the Financial Statements

June 30, 2025

inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year
(To Be Recognized in Future OPEB Expenses)

2025	\$ (4,294,807)
2026	(2,516,540)
2027	(2,528,134)
2028	(2,222,092)
2029	(1,184,355)
Thereafter	(221,443)
	<u>\$ (12,967,371)</u>

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2023
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%

- Healthcare Cost Trend Rate: Pre-65: 7.25% Year 1 graded to 3.5% Year 15; Post-65: 6.50% Year 1 graded to 3.5% Year 15.
- Mortality:
 - Retirees: PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Other Assumptions:

- 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 are assumed to have coverages continuing after the retiree's death.
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

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

Recognition period for liabilities is the average of the expected remaining service lives of all employees in years is 6.2834.

Recognition period for assets in years is 5.0000.

Garden City Public Schools
Notes to the Financial Statements
June 30, 2025

Full actuarial assumptions are available in the 2024 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	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	15.0	6.5
Fixed Income Pools	13.0	2.0
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
	<u>100.0%</u>	

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

Rate of Return

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

Discount Rate

A discount rate of 6.00% 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 employer 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 School District's Proportionate Share of the Net OPEB Liability or Asset to Changes in the Discount Rate

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

1% Decrease	Current	1% Increase
5.00%	Discount Rate	7.00%
	6.00%	
\$ (9,404,508)	\$ (12,169,265)	\$ (14,559,689)

Garden City Public Schools
Notes to the Financial Statements
June 30, 2025

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability or Asset to Healthcare Cost Trend Rate

The following presents the School District's proportionate share of the net OPEB liability or asset calculated using assumed trend rates, as well as what the School District's proportionate share of net OPEB liability or asset would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ (14,559,715)	\$ (12,169,265)	\$ (9,605,520)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2024 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 11 – Postemployment Benefits Other Than Pensions (OPEB) – Single Employer Plan

Plan Description

The Garden City School District administers the School District's Retiree Benefits Plan – a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for certain employees of the School District.

Benefits Provided

The Plan provides healthcare benefits to cover the costs of MPSERS hospitalization for certain retirees. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan.

Employees Covered by Benefit Terms

At June 30, 2024, the plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	37
Active employees	79
	<u>116</u>

The OPEB plan is closed to new members.

Contributions

The plan is 'pay as you go', therefore no contributions are made. Plan members are not required to contribute to the plan.

Total OPEB Liability

The total OPEB liability was measured as of June 30, 2025. The total OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement.

- Inflation rate: N/A plan is not pre-funded
- Salary increases: 1.0% average, including inflation
- Investment rate of return: N/A; this plan is not pre-funded
- 20-year Aa Municipal bond rate: 4.81%
- Mortality:
 - Employees and retirees: Teacher and General Employees and retirees, headcount weighted.

Mortality rates were based on the MP-2021 Improvement Scale.

Garden City Public Schools
Notes to the Financial Statements
June 30, 2025

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2023 – June 30, 2024.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.81%. The projection of cash flows used to determine the discount rate assumed that School District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those 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.

Total OPEB Liability	
Service cost	\$ 3,487
Interest	14,648
Differences between expected and actual experience	(30,369)
Changes in assumptions	(8,682)
Benefit payments	<u>(9,531)</u>
Net change in total OPEB liability	(30,447)
Total OPEB liability - beginning	<u>349,211</u>
Total OPEB liability - ending	<u>\$ 318,764</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

1% Decrease	Current Discount Rate	1% Increase
\$ <u>334,091</u>	\$ <u>318,764</u>	\$ <u>304,446</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ <u>316,391</u>	\$ <u>318,764</u>	\$ <u>321,544</u>

Garden City Public Schools
Notes to the Financial Statements
June 30, 2025

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025 the District recognized OPEB expense of \$(40,655). The District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Difference between expected and actual experience	\$ (42,158)
Changes of assumptions	<u>(10,967)</u>
 Total	 <u>\$ (53,125)</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Deferred (Inflow) and Deferred Outflow of Resources by Year
(To Be Recognized in Future OPEB Expenses)

2026	\$ (36,256)
2027	<u>(16,869)</u>
	 <u>\$ (53,125)</u>

Payable to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 12 – Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment 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 costs which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year ended June 30, 2025.

Note 13 – Changes Within the Financial Reporting Entity

During the year ended June 30, 2025, the 2022 Capital Projects Fund and Sinking Fund that were previously reported as major funds in the prior year were no longer required to be presented as a major funds. As a result, the following presentation changes were necessary to be made in the financial statements:

	Nonmajor Governmental Funds	2022 Capital Projects Fund	Sinking Fund
Fund balance at June 30, 2024	\$ 3,192,975	\$ 3,878,998	\$ 3,780,922
Adjustments			
Change from major to non-major fund	<u>7,659,920</u>	<u>(3,878,998)</u>	<u>(3,780,922)</u>
Adjusted fund balance at June 30, 2024	<u>\$ 10,852,895</u>	<u>\$ -</u>	<u>\$ -</u>

REQUIRED SUPPLEMENTARY INFORMATION

Garden City Public Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
Revenues				
Local sources	\$ 4,913,150	\$ 4,925,040	\$ 4,867,015	\$ (58,025)
State sources	47,282,890	48,538,722	49,318,855	780,133
Federal sources	3,460,547	3,607,644	3,630,775	23,131
Interdistrict sources	2,391,000	2,778,253	2,813,274	35,021
Total revenues	58,047,587	59,849,659	60,629,919	780,260
Expenditures				
Instruction				
Basic programs	21,967,670	20,531,159	20,351,243	(179,916)
Added needs	7,796,649	8,742,356	8,745,692	3,336
Supporting services				
Pupil	5,888,461	5,877,929	5,911,330	33,401
Instructional staff	2,130,552	2,064,697	2,036,806	(27,891)
General administration	737,223	668,581	685,770	17,189
School administration	3,982,031	3,739,362	3,744,282	4,920
Business	1,038,237	1,090,750	936,948	(153,802)
Operations and maintenance	4,050,746	3,937,516	3,896,902	(40,614)
Pupil transportation services	1,467,072	1,453,784	1,497,819	44,035
Central	2,231,242	2,128,505	2,152,203	23,698
Athletic activities	532,077	505,609	549,524	43,915
Other	10,200	5,781	5,781	-
Community services	25,839	29,713	28,688	(1,025)
Capital outlay	579,283	668,614	668,614	-
Total expenditures	52,437,358	51,444,356	51,211,602	(232,754)
Excess of revenues over expenditures	5,610,229	8,405,303	9,418,317	1,013,014

Garden City Public Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources (Uses)				
Transfers in	\$ 56,940	\$ 49,500	\$ 50,186	\$ 686
Transfers out	<u>(7,380,530)</u>	<u>(6,900,000)</u>	<u>(7,149,732)</u>	<u>(249,732)</u>
Total other financing sources (uses)	<u>(7,323,590)</u>	<u>(6,850,500)</u>	<u>(7,099,546)</u>	<u>(249,046)</u>
Net change in fund balances	(1,713,361)	1,554,803	2,318,771	763,968
Fund balance - beginning	<u>11,924,556</u>	<u>11,924,556</u>	<u>11,924,556</u>	<u>-</u>
Fund balance - ending	<u>\$ 10,211,195</u>	<u>\$ 13,479,359</u>	<u>\$ 14,243,327</u>	<u>\$ 763,968</u>

Garden City Public Schools
Required Supplementary Information
Budgetary Comparison Schedule - Special Education Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Federal sources	\$ 432,496	\$ 427,392	\$ 427,392	\$ -
Interdistrict sources	<u>7,600,000</u>	<u>7,836,490</u>	<u>7,645,788</u>	<u>(190,702)</u>
Total revenues	<u>8,032,496</u>	<u>8,263,882</u>	<u>8,073,180</u>	<u>(190,702)</u>
Expenditures				
Current				
Education				
Instruction	10,968,558	10,916,020	11,013,181	97,161
Supporting services	<u>4,267,378</u>	<u>3,985,782</u>	<u>4,209,711</u>	<u>223,929</u>
Total expenditures	<u>15,235,936</u>	<u>14,901,802</u>	<u>15,222,892</u>	<u>321,090</u>
Deficiency of revenues over expenditures	(7,203,440)	(6,637,920)	(7,149,712)	(511,792)
Other Financing Sources				
Transfers in	<u>7,203,440</u>	<u>6,637,920</u>	<u>7,149,712</u>	<u>511,792</u>
Net change in fund balances	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Garden City Public Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. School District's proportion of the net pension liability (%)	0.2815%	0.2787%	0.2845%	0.2850%	0.2850%	0.2816%	0.2715%	0.2775%	0.3044%	0.3386%
B. School District's proportionate share of the net pension liability	\$ 68,910,637	\$ 90,203,521	\$ 106,984,253	\$ 67,471,630	\$ 97,898,845	\$ 93,240,391	\$ 81,619,809	\$ 71,909,590	\$ 75,948,014	\$ 82,700,478
C. School District's covered payroll	\$ 29,922,644	\$ 27,793,304	\$ 26,978,675	\$ 26,178,688	\$ 25,173,892	\$ 25,518,028	\$ 22,954,273	\$ 22,729,732	\$ 24,518,412	\$ 28,234,957
D. School District's proportionate share of the net pension liability as a percentage of its covered payroll	43.42%	30.81%	25.22%	38.80%	25.71%	27.37%	28.12%	31.61%	32.28%	34.14%
E. Plan fiduciary net position as a percentage of total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2024.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2024.

Garden City Public Schools
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Statutorily required contributions	\$ 11,581,079	\$ 11,673,991	\$ 9,460,235	\$ 9,653,470	\$ 8,480,490	\$ 7,907,228	\$ 7,393,185	\$ 6,508,626	\$ 4,261,426	\$ 4,506,288
B. Contributions in relation to statutorily required contributions	<u>11,581,079</u>	<u>11,673,991</u>	<u>9,460,235</u>	<u>9,653,470</u>	<u>8,480,490</u>	<u>7,907,228</u>	<u>7,393,185</u>	<u>6,508,626</u>	<u>4,261,426</u>	<u>4,506,288</u>
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
D. School District's covered payroll	\$ 31,051,040	\$ 29,435,178	\$ 28,315,152	\$ 26,827,908	\$ 25,759,141	\$ 25,427,455	\$ 24,630,882	\$ 23,316,252	\$ 22,724,285	\$ 23,660,641
E. Contributions as a percentage of covered payroll	37.30%	39.66%	33.41%	35.98%	32.92%	31.10%	30.02%	27.91%	18.75%	19.05%

Garden City Public Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability or Asset
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. School Districts's proportion of the net OPEB liability or asset (%)	0.28270%	0.27730%	0.27670%	0.28780%	0.28270%	0.29130%	0.26930%	0.27820%		
B. School District's proportionate share of the net OPEB liability (asset)	\$ (12,169,265)	\$ (1,568,835)	\$ 5,860,132	\$ 4,393,363	\$ 15,145,289	\$ 20,908,045	\$ 21,405,290	\$ 24,634,886		
C. School District's covered payroll	\$ 29,922,644	\$ 27,793,304	\$ 26,978,675	\$ 26,178,688	\$ 25,173,892	\$ 25,518,028	\$ 22,954,273	\$ 22,729,732		
D. School District's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	-245.89%	-1771.59%	460.38%	595.87%	166.22%	122.05%	107.24%	92.27%		
E. Plan fiduciary net position as a percentage of total OPEB liability	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%		

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2024.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2024.

Garden City Public Schools
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Statutorily required contributions	\$ 474,653	\$ 2,329,384	\$ 1,928,237	\$ 2,111,512	\$ 2,100,472	\$ 2,019,030	\$ 1,747,916	\$ 2,165,813		
B. Contributions in relation to statutorily required contributions	<u>474,653</u>	<u>2,329,384</u>	<u>1,928,237</u>	<u>2,111,512</u>	<u>2,100,472</u>	<u>2,019,030</u>	<u>1,747,916</u>	<u>2,165,813</u>		
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
D. School District's covered payroll	\$ 31,051,040	\$ 29,435,178	\$ 28,315,152	\$ 26,827,908	\$ 25,759,141	\$ 25,427,455	\$ 24,630,882	\$ 23,316,252		
E. Contributions as a percentage of covered payroll	1.53%	7.91%	6.81%	7.87%	8.15%	7.94%	7.10%	9.29%		

Garden City Public Schools
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
Single Employer OPEB Plan
June 30, 2025

Fiscal year ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability										
Service cost	\$ 3,487	\$ 3,821	\$ 4,078	\$ 6,470	\$ 6,130	\$ 7,692	\$ 8,245	\$ 16,165		
Interest	14,648	15,371	16,140	10,945	13,645	17,129	18,729	29,581		
Differences between expected and actual experience	(30,369)	(29,948)	(34,762)	(64,605)	(27,550)	(78,081)	(45,664)	(356,624)		
Changes in assumptions	(8,682)	(2,135)	(417)	(49,014)	15,223	21,122	-	4,470		
Benefit payments	<u>(9,531)</u>	<u>(12,501)</u>	<u>(1,917)</u>	<u>(15,836)</u>	<u>(21,515)</u>	<u>(27,065)</u>	<u>(41,159)</u>	<u>(53,655)</u>		
Net change in total OPEB liability	(30,447)	(25,392)	(16,878)	(112,040)	(14,067)	(59,203)	(59,849)	(360,063)		
Total OPEB liability - beginning	<u>349,211</u>	<u>374,603</u>	<u>391,481</u>	<u>503,521</u>	<u>517,588</u>	<u>576,791</u>	<u>636,640</u>	<u>996,703</u>		
Total OPEB liability - ending	<u>\$ 318,764</u>	<u>\$ 349,211</u>	<u>\$ 374,603</u>	<u>\$ 391,481</u>	<u>\$ 503,521</u>	<u>\$ 517,588</u>	<u>\$ 576,791</u>	<u>\$ 636,640</u>		

GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation.
Data will be added as information is available until 10 years of such data is available.

Garden City Public Schools
Required Supplementary Information
Schedule of the School District's Contributions - Single Employer Plan
Single Employer OPEB Plan
June 30, 2025

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2019	\$ 99,186	\$ 53,655	\$ 45,531	N/A	N/A
2020	100,501	27,065	73,436	N/A	N/A
2021	88,308	21,515	66,793	N/A	N/A
2022	97,049	15,836	81,213	N/A	N/A
2023	79,144	1,917	77,227	N/A	N/A
2024	88,433	12,501	75,932	N/A	N/A
2025	82,540	9,531	73,009	N/A	N/A

Notes to Schedule of Contributions

Valuation date: June 30, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age Normal
Amortization method	Level dollar
Remaining amortization period	5 years
Asset valuation method	N/A - plan is not pre-funded
Inflation	N/A - plan is not pre-funded
Healthcare cost trend rates	7.25% for year one, 7.50% for year two, then graded to 4.50% by 0.25% per year
Salary increases	1.00%
Investment rate of return	N/A - plan is not pre-funded
20-year Aa Municipal bond rate	4.81%
Retirement age	Various
Mortality	Employees and retirees: Public Teachers 2016 General Employees and Retirees, Headcount weighted

OTHER SUPPLEMENTARY INFORMATION

Garden City Public Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

	Special Revenue Funds		Debt Service Fund	Capital Project Funds			Total Nonmajor Governmental Funds
	Food Service	Student Activities and Scholarships	2016 Refunding Bond	2025 Sinking Fund	Sinking Fund	2022 Capital Projects Fund	
Assets							
Cash	\$ 774,560	\$ 898,186	\$ 1,107,675	\$ 15,218	\$ 1,154,046	\$ -	\$ 3,949,685
Due from other funds	3,405	19,618	166,730	-	44,186	-	233,939
Due from other governmental units	78,285	-	-	-	-	-	78,285
Inventory	22,553	-	-	-	-	-	22,553
Total assets	<u>\$ 878,803</u>	<u>\$ 917,804</u>	<u>\$ 1,274,405</u>	<u>\$ 15,218</u>	<u>\$ 1,198,232</u>	<u>\$ -</u>	<u>\$ 4,284,462</u>
Liabilities							
Accounts payable	\$ 98,666	\$ 3,372	\$ -	\$ -	\$ 95,470	\$ -	\$ 197,508
Due to other funds	-	51,740	-	-	-	-	51,740
Total liabilities	<u>98,666</u>	<u>55,112</u>	<u>-</u>	<u>-</u>	<u>95,470</u>	<u>-</u>	<u>249,248</u>
Fund Balances							
Non-spendable							
Inventory	22,553	-	-	-	-	-	22,553
Restricted for							
Food service	757,584	-	-	-	-	-	757,584
Debt service	-	-	1,274,405	-	-	-	1,274,405
Capital projects	-	-	-	15,218	1,102,762	-	1,117,980
Committed	-	862,692	-	-	-	-	862,692
Total fund balances	<u>780,137</u>	<u>862,692</u>	<u>1,274,405</u>	<u>15,218</u>	<u>1,102,762</u>	<u>-</u>	<u>4,035,214</u>
Total liabilities and fund balance	<u>\$ 878,803</u>	<u>\$ 917,804</u>	<u>\$ 1,274,405</u>	<u>\$ 15,218</u>	<u>\$ 1,198,232</u>	<u>\$ -</u>	<u>\$ 4,284,462</u>

Garden City Public Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Project Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Food Service</u>	<u>Student Activities and Scholarships</u>	<u>2016 Refunding Bond</u>	<u>2025 Sinking Fund</u>	<u>Sinking Fund</u>	<u>2022 Capital Projects Fund</u>	
Revenues							
Local sources	\$ 114,937	\$ 594,470	\$ 4,561,850	\$ 625,234	\$ 796,992	\$ 59,886	\$ 6,753,369
State sources	138,838	-	23,423	-	-	-	162,261
Federal sources	<u>1,852,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,852,388</u>
Total revenues	<u>2,106,163</u>	<u>594,470</u>	<u>4,585,273</u>	<u>625,234</u>	<u>796,992</u>	<u>59,886</u>	<u>8,768,018</u>
Expenditures							
Current							
Education							
Supporting services	-	479,531	-	-	-	-	479,531
Food services	2,353,298	-	-	-	-	-	2,353,298
Capital outlay	280,888	-	-	610,016	3,475,152	3,932,550	8,298,606
Debt service							
Principal	-	-	1,945,000	-	-	-	1,945,000
Interest and other expenditures	<u>-</u>	<u>-</u>	<u>2,502,950</u>	<u>-</u>	<u>-</u>	<u>6,334</u>	<u>2,509,284</u>
Total expenditures	<u>2,634,186</u>	<u>479,531</u>	<u>4,447,950</u>	<u>610,016</u>	<u>3,475,152</u>	<u>3,938,884</u>	<u>15,585,719</u>
Net change in fund balances	(528,003)	114,939	137,323	15,218	(2,678,160)	(3,878,998)	(6,817,681)
Fund balances - beginning, as previously presented	1,308,140	747,753	1,137,082	-	-	-	3,192,975
Change within financial reporting entity (between major and nonmajor funds)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,780,922</u>	<u>3,878,998</u>	<u>7,659,920</u>
Fund balances - beginning, as adjusted	<u>1,308,140</u>	<u>747,753</u>	<u>1,137,082</u>	<u>-</u>	<u>3,780,922</u>	<u>3,878,998</u>	<u>10,852,895</u>
Fund balances - ending	<u>\$ 780,137</u>	<u>\$ 862,692</u>	<u>\$ 1,274,405</u>	<u>\$ 15,218</u>	<u>\$ 1,102,762</u>	<u>\$ -</u>	<u>\$ 4,035,214</u>

Garden City Public Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2025

Year Ending June 30,	2016 Refunding	2020 Building and Site Bond	2022 Building and Site Bond	Total
2026	\$ 1,515,000	\$ 150,000	\$ 335,000	\$ 2,000,000
2027	1,530,000	150,000	335,000	2,015,000
2028	1,515,000	225,000	350,000	2,090,000
2029	1,500,000	300,000	360,000	2,160,000
2030	1,480,000	390,000	375,000	2,245,000
2031	1,465,000	475,000	395,000	2,335,000
2032	-	1,280,000	415,000	1,695,000
2033	-	1,345,000	435,000	1,780,000
2034	-	1,410,000	455,000	1,865,000
2035	-	1,480,000	475,000	1,955,000
2036	-	1,555,000	495,000	2,050,000
2037	-	1,630,000	515,000	2,145,000
2038	-	1,710,000	535,000	2,245,000
2039	-	1,795,000	555,000	2,350,000
2040	-	1,885,000	585,000	2,470,000
2041	-	1,980,000	615,000	2,595,000
2042	-	2,060,000	645,000	2,705,000
2043	-	2,140,000	675,000	2,815,000
2044	-	2,225,000	705,000	2,930,000
2045	-	2,335,000	735,000	3,070,000
2046	-	2,450,000	770,000	3,220,000
2047	-	-	805,000	805,000
2048	-	-	835,000	835,000
Total	<u>\$ 9,005,000</u>	<u>\$ 28,970,000</u>	<u>\$ 12,400,000</u>	<u>\$ 50,375,000</u>
Principal payments due the first day of	May	May	May	
Interest payments due the first day of	May and November	May and November	May and November	
Interest rate	5.00%	3.00% - 5.00%	4.00% - 5.00%	
Original issue	<u>\$ 22,085,000</u>	<u>\$ 29,070,000</u>	<u>\$ 13,330,000</u>	