

HOLLAND, MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2026



Holland, Michigan

Ottawa Area Intermediate School District
ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2026

Issued by:
Office of the Superintendent
Assistant Superintendent of
Finance & Business Services
Christopher Lamer

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INTRODUCTORY SECTION

Ottawa Area ISD
Learn. Serve. Lead.

13565 Port Sheldon Street, Holland, MI 49424
616.738.8940 • Fax 616.738.8946
oaisd.org

October 26, 2026

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

The Annual Comprehensive Financial Report of the Ottawa Area Intermediate School District (OAISD) for the fiscal year ended June 30, 2026, is submitted herewith. The financial statements included in this report have been audited by Maner Costerisan, an independent firm of certified public accountants. The report is prepared for the purpose of disclosing the OAISD's financial condition to its residents, elected officials, and other interested parties.

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

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

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

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

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

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

History & Services

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

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

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

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

Special Needs Services include classroom programs for students with moderate to severe mental impairments housed at the district-owned **Ottawa Area Center**. An infant development program is offered at multiple leased locations with the main location at City on a Hill in Zeeland. District-owned **Sheldon Pines School** provides classroom programming for students with severe emotional impairments. Early Childhood Autistic Impairment programs are operated at Ottawa Area Center, Holland Public School District and Spring Lake Public School District. The OAISD also operates Young Adult Services instruction programs for students with minimal to moderate mental impairments at the two district owned sites, **Felch Street** in Holland and the **Elliott Avenue** building in Grand Haven, along with leased sites in Coopersville and Hudsonville. During the 2025-26 school year, construction on a new **Georgetown** YAS site was completed, and the facility is opening in the fall of 2026. Along with these programs, the OAISD coordinates and supports special needs services, special education delivery systems, and provides technical and legal support in the area of special education and truancy.

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

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

The eight District-owned buildings range in age from 25 to 94 years, but with continuous routine maintenance, renovations and upgrades, the buildings are structurally sound and in excellent condition. The District maintains a 3-year capital plan that is reviewed and updated annually. The plan ensures necessary improvements and upgrades are made in a timely manner and within budget for the facilities and equipment.

Local Economy

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

The general fund millage rate is a set portion of the Ottawa County allocated millage to support the Townships, County, and ISD. In November of 2018, the voters approved the allocated millage rates, setting the OAISD millage rate at 0.1220 mills. This millage rate is reduced annually by the Headlee Rollback formula, resulting in a 2025-26 levy of 0.1151 mills. The revenue received is used for the operation of all the OAISD programs, except cooperative education, special education, and vocational education, but the general fund can assist with the costs of these other funds. A Headlee rollback occurs if the county's assessed value of real and personal property in the taxing jurisdiction exceeds the inflation rate, the authorized millage rate is reduced to the rate of inflation. ISDs are given the authority to implement and finance career technical education programs. In fiscal year 2025-26, OAISD was authorized to levy 1.2000 mills but only levied 0.9740 mills due to Headlee rollback.

ISDs are also required to provide special education programs for its constituent districts. In fiscal year 2025-26, the OAISD was authorized and able to levy 4.3750 mills, due to the voter approved mills in May 2025. This approval provided restoration of mills lost due to Headlee rollbacks as well as increased funding for Special Ed programming.

In November of 2018, voters approved an enhancement millage, a special assessment to support the efforts of the local districts and charter schools to maintain programming offered. In 2025-2026, the OAISD was authorized to levy 0.9000 mills but only levied 0.8523 mills due to Headlee rollback. This equated to additional funding of approximately $367 per student passed on to each local district and charter school within the OAISD boundaries.

Given that OAISD is significantly dependent on local property tax revenue from operating millage, the health of Ottawa County is very essential to monitor. Fortunately, Ottawa County is showing many positive economic indicators, suggesting that the growth in the area will continue. The county continues to see a strong real estate market with increasing home values. According to County of Ottawa, the taxable value on the Ad-Valorem Roll increased 6.6 percent in 2025. Also, Ottawa County's unemployment rate decreased slightly to 4.2 percent in June, 2026, which is slightly lower than the State of Michigan's rate of 5.2 percent.

Ottawa County continues to see strong job growth in manufacturing, health care, and professional and technical roles. Manufacturing remains the county's largest private employer, while health care, retail, and food service also provide thousands of local jobs. With this mix of job opportunities, the local economy of Ottawa County continues to be very strong, and the county remains a major producer of office furniture and agricultural products.

Initiatives Undertaken by the District

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

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

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

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

Young Adult Services provided programming and services to 228 students ages 18-26. With 20 classrooms engaged within five communities, the students access opportunities, ride public transportation, and contribute to the communities through employment, volunteering, and learning to be active members of the communities where they live. Most students participate in two work-based learning opportunities during the year, some of which earn paid employment. Nearly 75 businesses partner with us to provide these opportunities, including Miller Knoll, Gentex, Tiara Yachts, Hope College, Georgetown Connections, Pizza Ranch and a wide variety of local businesses across the region.

The **Technology Services Department** received a $4.6 million dollar grant to create a Cyber Security Center Operations Center (CSOC) that helps protect staff and student data as well as the systems the district rely on for daily operations. This grant supports both the ISD, and the local districts we serve, including Allendale, Black River, Coopersville, Grand Haven, Hamilton, Holland, Hudsonville, Jenison, OAISD, Saugatuck, Spring Lake, West Michigan Academy of Arts and Academics and Oakridge Public School district in Muskegon county. The project has contracted with a company to perform CISO functions, and each district is undergoing an assessment to focus on prevention, decreasing threat vectors, and mitigating other risk factors.

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

Awards/Recognition

College scholarships funded by gifts to the OAISD, as well as employee fundraising, were awarded to Careerline Tech Center students. 62 scholarships were awarded totaling $337,563 Fields of study for these students are diesel mechanics, healthcare, culinary, engineering, natural sciences, and mechatronics/robotics. Also funded by gifts to OAISD are scholarships awarded to adult learners for course enrollment at Thompson M-TEC.

ASBO Certificate of Achievement: The Association of School Business Officials International (ASBO) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the OAISD for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. This is the *twenty-fourth consecutive year* that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a District must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR), whose contents conform to program standards. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

Acknowledgment

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

Sincerely,

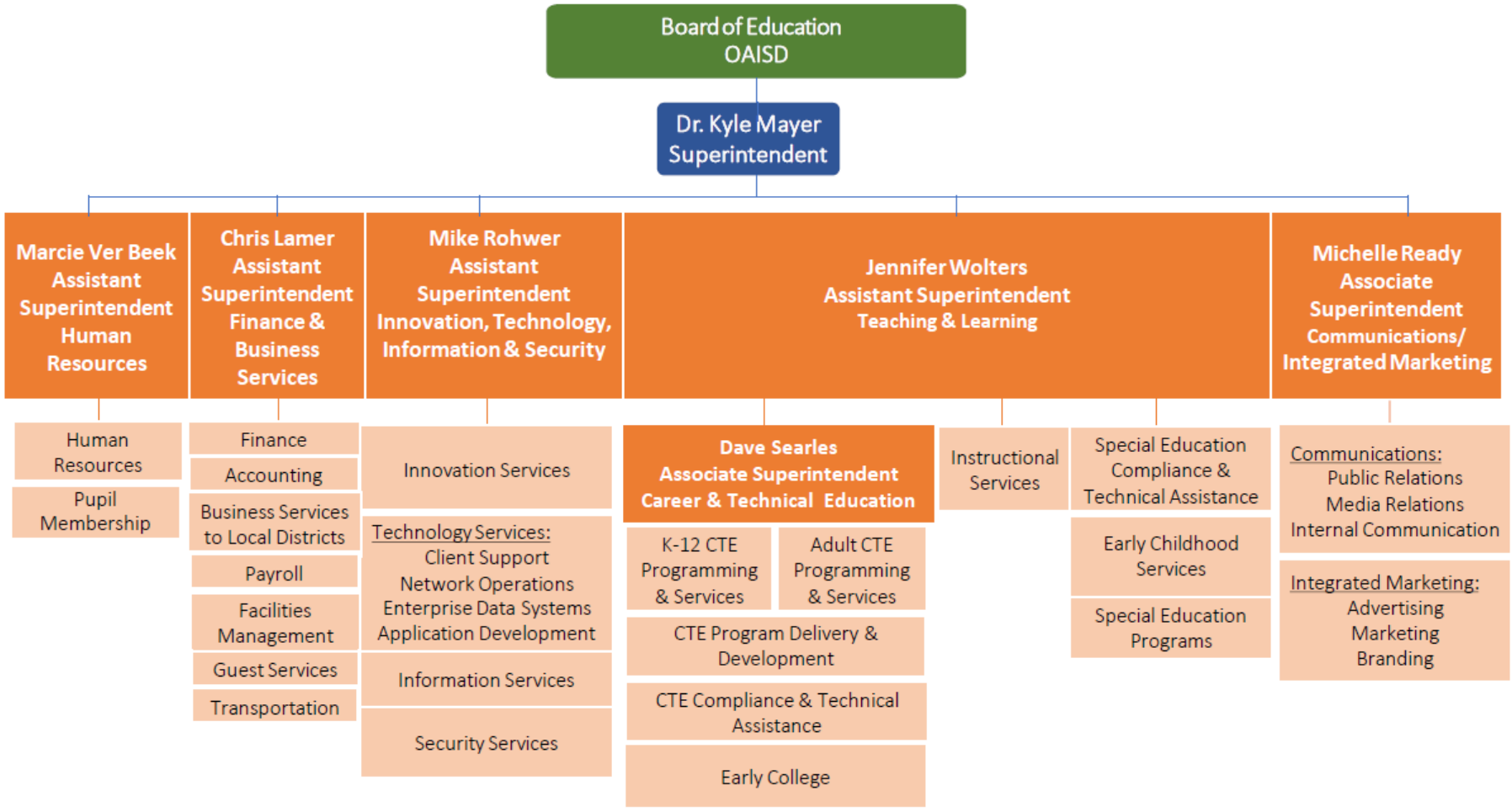


Chris Lamer

Assistant Superintendent of
Finance & Business Services

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Organizational Chart
January 2026



OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2026

BOARD OF EDUCATION

Randy Schipper	President
Rick Dernberger	Vice-President
John Siemion	Secretary
Jennifer Cymbola	Trustee
Marc Eickholt	Treasurer

SUPERINTENDENT'S COUNCIL

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

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Ottawa Area Intermediate School District

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Lynn Knight
President

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

FINANCIAL SECTION

Maner Costerisan

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Suite 1, Lansing, MI 48912

2851 Charlevoix Dr SE #300,
Grand Rapids, MI 49546

517.323.7500

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Ottawa Area Intermediate School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District as of June 30, 2026, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information - (Annual Comprehensive Financial Reporting)

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 26, 2026 on our consideration of Ottawa Area Intermediate School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ottawa Area Intermediate School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ottawa Area Intermediate School District's internal control over financial reporting and compliance.

Maner Costerisan PC

Lansing, Michigan
October 26, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of management's discussion and analysis (MD&A) is to help the District's residents and other readers understand what the financial statements and notes in this financial report say about the District's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the District's finances.

If you have any questions about this report or need any additional information, please contact Business Services Office, Ottawa Area Intermediate School District, Holland, Michigan 49424, phone 616-738-8940.

OVERVIEW OF THE FINANCIAL STATEMENTS

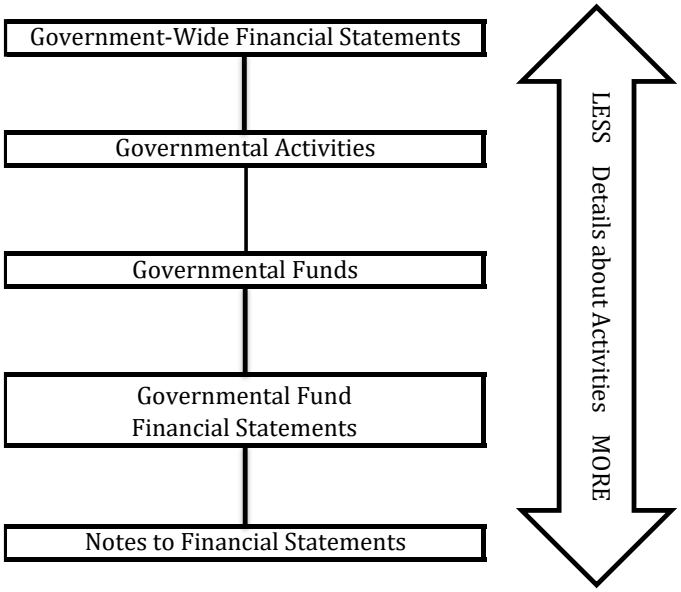
The District's financial report contains basic financial statements. Those financial statements present the District's finances at both an overall and a detailed level. The first two - the *government-wide financial statements* - cover the District's governmental activities. (See the diagram in Figure A-1.)

- *Governmental Activities* comprise the District's most basic functions, such as instruction, support services, and food services. Governmental activities primarily are financed by property taxes from non-principal residence exemption properties, state aid foundation, and federal grants. These statements provide both short-term and long-term information.

The remaining basic financial statements present the District's finances in greater detail. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The District reports one group of funds:

- *Governmental Fund Financial Statements* report all of the governmental activities. In addition to the District's main operating fund - the general fund - those financial statements report special revenue funds that track the use of restricted or committed funding sources, debt service funds to record the repayment of outstanding bonds, and capital projects funds to account for resources used to acquire or construct long-lived assets.

Figure A-1. Contents of the District's Basic Financial Statements



The next section of this financial report contains *notes to financial statements*, which delve deeper into the District's finances as reported in the financial statements. The information in the notes is as important to understanding the District's finances as the information in the financial statements. The District uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

All of the District's financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. (See Figure A-2.) In other words, they comprehensively report all types of financial statement elements:

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

- *Liabilities* - amounts the District owes, from short-term liabilities such as salaries and related items to long-term liabilities such as outstanding debt and pension obligations.

- *Deferred Outflows of Resources and Deferred Inflows of Resources* - flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.

- *Revenues and Expenses* - inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on construction.

Figure A-2. Types of Information Reported in the District's Financial Statements

	Financial Statements	
	Government-wide	Governmental Funds
Types of assets and liabilities	* All assets and liabilities, both financial and nonfinancial, short term and long term	* Only current financial resources, such as cash, receivables, and accounts payable
Types of revenues/ additions	* All types of revenues/additions that flow into the District during the year that relate to that year, regardless of when cash is received	* Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/ deductions/ expenditures	* All types of expenses/deductions that flow out of the District during the year that relate to that year, regardless of when cash is paid	* Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	* All types of resources that flow into and out of the District during the year that relate to a future year	* Current financial resources that flow into and out of the governmental funds during the year that related to a future year

More detail about the measurement focuses and basis of accounting can be found in the first note to financial statements, the summary of significant accounting policies.

ANALYSIS OF THE DISTRICT'S FINANCES

Table A-1
Ottawa Area ISD's Net Position

	2026	2025	Dollar Change	Total Percentage Change
ASSETS				
Current and other assets	$ 95,067,881	$ 104,048,343	$ (8,980,462)	-8.6%
Net postemployment benefits asset	19,433,006	14,597,674	4,835,332	33.1%
Capital assets, net	72,205,048	53,968,455	18,236,593	33.8%
TOTAL ASSETS	186,705,935	172,614,472	14,091,463	8.2%
DEFERRED OUTFLOWS OF RESOURCES	20,583,817	30,556,555	(9,972,738)	-32.6%
LIABILITIES				
Current liabilities	31,772,827	31,660,165	112,662	0.4%
Long-term liabilities	27,467,154	27,754,119	(286,965)	-1.0%
Net pension liability	67,734,974	84,059,068	(16,324,094)	-19.4%
TOTAL LIABILITIES	126,974,955	143,473,352	(16,498,397)	-11.5%
DEFERRED INFLOWS OF RESOURCES	43,857,627	47,012,494	(3,154,867)	-6.7%
NET POSITION				
Investment in capital assets	52,378,811	43,703,246	8,675,565	19.9%
Restricted	19,797,187	14,948,329	4,848,858	32.4%
Unrestricted	(35,718,828)	(45,966,394)	10,247,566	22.3%
TOTAL NET POSITION	$ 36,457,170	$ 12,685,181	$ 23,771,989	187.4%

Table A-1 shows that as of June 30, 2026, the District's total net position - assets and deferred outflows minus liabilities and deferred inflows - was nearly $36.5 million, an increase of $23,771,989 or 187.4% compared with 2025. This increase is primarily due to a $10,247,566 or 22.3% improvement in unrestricted net position and a $8,675,565 or 19.9% increase in investment in capital assets. The following sections of MD&A analyze the finances of the governmental activities.

GOVERNMENTAL ACTIVITIES

Table A-2 shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position. Various events contributed to this increase in net position; however, the primary factors affecting the change in net position are as follows:

1. Increases in grant revenues, particularly related to Great Start Readiness Program (GSRP) funds.
2. Growth in the taxable value of non-principal residence exempt properties.
3. Increase in expenses for certain programs and functions.

Table A-2
Changes in Ottawa Area ISD's Net Position

	2026	2025	Dollar Change	Total Percentage Change
REVENUES				
Program revenue				
Charges for services	$ 8,314,005	$ 7,810,783	$ 503,222	6.4%
Operating grants and contributions	81,520,807	79,932,204	1,588,603	2.0%
General revenues				
Property taxes	126,895,564	114,316,755	12,578,809	11.0%
State school aid	1,870,812	1,786,713	84,099	4.7%
Other	3,942,866	5,183,740	(1,240,874)	-23.9%
TOTAL REVENUES	222,544,054	209,030,195	13,513,859	6.5%
EXPENSES				
Instruction	19,573,675	20,846,913	(1,273,238)	-6.1%
Supporting services	51,904,743	46,928,766	4,975,977	10.6%
Community services	597,508	766,206	(168,698)	-22.0%
Transfers to locals and other services	122,267,490	108,038,382	14,229,108	13.2%
Student/school activities	163,022	135,429	27,593	20.4%
Interest on long-term debt	1,068,104	1,285,146	(217,042)	-16.9%
Unallocated depreciation	3,179,388	2,774,362	405,026	14.6%
TOTAL EXPENSES	198,753,930	180,775,204	17,978,726	9.9%
Change in net position	23,790,124	28,254,991	$ (4,464,867)	-15.8%
Net position, beginning of year	12,685,181	(15,569,810)		181.5%
Net position, end of year	$ 36,475,305	$ 12,685,181		187.5%

Increase in Operating Grants and Contributions

There was a notable increase in operating grants and contributions compared to the prior year, which accounts for 36.6% of overall revenues. Most of the increase is attributed to an increase of roughly $5.7 million in the District's allocation of GSRP funds from the state. This increase was offset by decreases in other state and federal allocations, as well as some grants ending in the current year.

Increase in Taxable Values

Property tax revenues increased in the current year compared to the prior year, which accounts for 57.0% of overall revenues. Property tax revenues is a product of taxable values multiplied by the applicable millage rates. Homestead taxable values increased by roughly $406 million from the prior year, leading to a corresponding increase in property tax revenues.

Increase in Expenses

Total expenses for the District increased by 9.9% overall. The significant increase was primarily due to a $14,229,108 or 13.2% increase in transfers to locals and other services. The increase is primarily driven by around a $2.8 million increase in GSRP funding transfers, as well as a $6.7 million increase in Act 18 funding.

GOVERNMENTAL FUNDS

The District reports six major funds individually in the governmental fund financial statements. These funds are the general fund, the special education fund, the vocational education fund, the cooperative fund, the 2023 bond construction fund, and the capital projects fund. Most of the discussion regarding governmental activities is equally applicable to the finances of these governmental funds. However, certain factors that are relevant to the District's current financial health are more apparent in the fund financial statements than in the government-wide statements. The changes are shown in Table A-3 and are discussed in more detail below.

Table A-3
Revenues, Expenditures, and Changes in Fund Balances

	General Fund		Special Education Fund		Vocational Education Fund		Cooperative Fund		2023 Bond Construction		Capital Projects	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
REVENUES	$ 39,767,495	$ 33,707,293	$ 131,614,454	$ 120,830,034	$ 26,031,690	$ 25,573,343	$ 7,967,772	$ 7,626,354	$ 428,001	$ 928,827	$ 176,529	$ 1,734,939
EXPENDITURES	40,474,802	35,149,750	120,837,669	112,993,995	20,304,380	19,885,854	11,296,351	10,812,814	10,464,955	7,438,003	10,500,423	3,865,930
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(707,307)	(1,442,457)	10,776,785	7,836,039	5,727,310	5,687,489	(3,328,579)	(3,186,460)	(10,036,954)	(6,509,176)	(10,323,894)	(2,130,991)
OTHER FINANCING SOURCES (USES)												
Transfers in	6,410,946	6,027,499	108,401	99,452	-	-	3,355,534	3,221,256	-	-	17,333,814	14,429,668
Transfers out	(6,033,882)	(4,127,092)	(12,546,376)	(13,672,401)	(9,999,536)	(7,386,298)	(89,251)	(60,381)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	377,064	1,900,407	(12,437,975)	(13,572,949)	(9,999,536)	(7,386,298)	3,266,283	3,160,875	-	-	17,333,814	14,429,668
Net change in fund balance	(330,243)	457,950	(1,661,190)	(5,736,910)	(4,272,226)	(1,698,809)	(62,296)	(25,585)	(10,036,954)	(6,509,176)	7,009,920	12,298,677
Fund balance - beginning of year	5,182,380	4,724,430	13,085,671	18,822,581	6,375,706	8,074,515	1,149,316	1,174,901	15,235,718	21,744,894	30,937,855	18,639,178
Fund balance - end of year	$ 4,852,137	$ 5,182,380	$ 11,424,481	$ 13,085,671	$ 2,103,480	$ 6,375,706	$ 1,087,020	$ 1,149,316	$ 5,198,764	$ 15,235,718	$ 37,947,775	$ 30,937,855

Fund balance represents the financial standing of a governmental fund at the end of the fiscal year from a short-term perspective.

General Fund

The fund balance of the District's general fund decreased by 6.4%. The decline in fund balance is attributable to expenditures exceeding revenues during 2026.

The overall fund balance at the end of June 30, 2026, represented approximately 12.0% of operating expenditures. Within fund balance, approximately 21.4% of the balance is considered unassigned. The remaining 78.6% is considered either restricted, committed, or assigned for other items and is not readily available for use.

Special Education Fund

The fund balance for the special education fund is considered to be 100% restricted. This means that the fund balance can only be used for the restricted purpose of that fund and is not readily available for use.

Vocational Education Fund

The fund balance for the vocational education fund is considered to be 100% restricted. This means that the fund balance can only be used for the restricted purpose of that fund and is not readily available for use.

Cooperative Fund

The fund balance for the cooperative fund is considered to be 100% restricted. This means that the fund balance can only be used for the restricted purpose of that fund and is not readily available for use.

2023 Bond Construction Fund

The fund balance for the 2023 bond construction fund is considered to be 100% restricted. This means that the fund balance can only be used for the restricted purpose of that fund and is not readily available for use.

Capital Projects Fund

The fund balance for the capital projects is considered to be 100% assigned. This means that the fund balance is dedicated for the assigned purpose of that fund, but funds could be transferred to other funds if considered necessary by the District.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

The discussion thus far has only touched upon certain significant transactions and events during 2026 with respect to capital assets and long-term obligations. Overall, the carrying value of capital assets - original cost minus accumulated depreciation - increased 33.8% compared to 2025. See Table A-4 for the carrying value of capital assets.

Table A-4
Ottawa Area ISD's Capital Assets

	2026			2025	
	Cost	Accumulated Depreciation/ Amortization	Net Book Value	Net Book Value	Total Percentage Change
Land	$ 4,400,451	$ -	$ 4,400,451	$ 4,400,451	0.0%
Intangible assets - access rights	2,342,587	-	2,342,587	875,826	167.5%
Construction in progress	13,690,145	-	13,690,145	17,538,844	-21.9%
Buildings and structures	62,039,386	16,172,535	45,866,851	26,301,926	74.4%
Land improvements	2,936,472	1,417,996	1,518,476	1,861,775	-18.4%
Right to use - subscription based IT	314,463	251,572	62,891	125,784	-50.0%
Furniture and equipment	12,169,443	7,845,796	4,323,647	2,863,849	51.0%
Total	$ 97,892,947	$ 25,687,899	$ 72,205,048	$ 53,968,455	33.8%

A significant reason for the increase in the net capital assets relates to the buildings and structures category. During 2026, the District completed and placed in service approximately $21 million for a new building and renovations to existing buildings. The additions of capital assets outpaced the depreciation during the year, resulting in a net increase in capital assets.

Long-term Obligations

Overall, the carrying value of the District's long-term obligations decreased by 1.1% from the prior year. See Table A-5 for the carrying value of the District's long-term obligations.

Table A-5
Ottawa Area ISD's
Outstanding Long-Term Obligations

	2026	2025	Total Percentage Change
General obligation bonds - net	$ 25,025,001	$ 25,500,927	-1.9%
Compensated absences	1,958,603	1,784,009	9.8%
Total	$ 26,983,604	$ 27,284,936	-1.1%

The District continued to pay down its debt, retiring $475,926 of outstanding bonds and direct borrowings, including amortization of bond premiums.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

There are several factors that could significantly affect the financial health of the District in the future.

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

BASIC FINANCIAL STATEMENTS

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 16,531,974
Investments	59,196,007
Receivables	
Accounts receivable	2,527,667
Interest receivable	176,200
Intergovernmental	15,178,726
Inventories	733,865
Prepaids	723,442
Net other postemployment benefits asset	19,433,006
Capital assets not being depreciated/amortized	20,433,183
Capital assets, net of accumulated depreciation/amortization	51,771,865
TOTAL ASSETS	186,705,935
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension	17,131,962
Related to OPEB	3,451,855
TOTAL DEFERRED OUTFLOWS OF RESOURCES	20,583,817
LIABILITIES	
Accounts payable	4,397,696
Accrued salaries and related items	2,227,245
Accrued retirement	1,483,500
Accrued interest	95,729
Intergovernmental payable	10,059,049
Unearned revenue	13,509,608
Noncurrent liabilities	
Due within one year	615,860
Due in more than one year	26,367,744
Arbitrage liability	483,550
Net pension liability	67,734,974
TOTAL LIABILITIES	126,974,955
DEFERRED INFLOWS OF RESOURCES	
Related to pension	21,686,885
Related to OPEB	16,618,032
Related to state aid funding for pension	5,552,710
TOTAL DEFERRED INFLOWS OF RESOURCES	43,857,627
NET POSITION	
Net investment in capital assets	52,378,811
Restricted nonexpendable endowment corpus	250,000
Restricted expendable endowment earnings	114,181
Restricted for net other postemployment benefits	19,433,006
Unrestricted	(35,718,828)
TOTAL NET POSITION	$ 36,457,170

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

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	$ 19,573,675	$ 2,244,781	$ 19,595,212	$ 2,266,318
Supporting services	51,904,743	5,986,084	48,430,795	2,512,136
Community services	597,508	83,140	-	(514,368)
Intergovernmental expenses and other	122,267,490	-	13,204,329	(109,063,161)
Student/school activities	163,022	-	290,471	127,449
Interest on long-term debt	1,068,104	-	-	(1,068,104)
Unallocated depreciation/amortization*	3,179,388	-	-	(3,179,388)
Total governmental activities	$ 198,753,930	$ 8,314,005	$ 81,520,807	(108,919,118)
General revenues				
Property taxes, levied for general purposes				2,312,324
Property taxes, levied for special education				87,875,504
Property taxes, levied for vocational education				19,567,329
Property taxes, levied for enhancement fund				17,140,407
Investment earnings				3,942,866
State sources - unrestricted				1,870,812
Total general revenues				132,691,107
CHANGE IN NET POSITION				23,771,989
NET POSITION, beginning of year				12,685,181
NET POSITION, end of year				$ 36,457,170

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

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

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Special Revenue: Special Education Fund	Special Revenue: Vocational Education Fund	Special Revenue: Cooperative Fund	2023 Bond Construction	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	$ 112,177	$ 158,832	$ 422,805	$ 45,795	$ 6,914,239	$ 8,459,213	$ 418,913	$ 16,531,974
Investments	16,957,742	9,597,100	930,481	-	-	31,346,872	363,812	59,196,007
Receivables								
Accounts receivable	74,578	221,472	443,553	1,787,814	-	-	250	2,527,667
Interest	26,430	109,244	-	-	-	40,526	-	176,200
Intergovernmental	6,364,353	8,190,543	555,791	68,039	-	-	-	15,178,726
Due from other funds	750,000	-	-	-	-	-	-	750,000
Inventories	-	-	733,865	-	-	-	-	733,865
Prepaids	99,562	344,986	203,768	75,126	-	-	-	723,442
TOTAL ASSETS	$ 24,384,842	$ 18,622,177	$ 3,290,263	$ 1,976,774	$ 6,914,239	$ 39,846,611	$ 782,975	$ 95,817,881
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ 277,329	$ 308,428	$ 143,890	$ 47,889	$ 1,715,475	$ 1,898,836	$ 5,849	$ 4,397,696
Accrued salaries and related items	251,021	1,199,566	721,812	54,846	-	-	-	2,227,245
Accrued retirement	260,563	916,998	274,681	31,258	-	-	-	1,483,500
Intergovernmental payable	5,459,703	4,571,752	27,594	-	-	-	-	10,059,049
Due to other funds	-	-	-	750,000	-	-	-	750,000
Unearned revenue	13,284,089	200,952	18,806	5,761	-	-	-	13,509,608
TOTAL LIABILITIES	19,532,705	7,197,696	1,186,783	889,754	1,715,475	1,898,836	5,849	32,427,098
FUND BALANCES								
Nonspendable								
Prepaids	99,562	344,986	203,768	75,126	-	-	-	723,442
Endowment corpus	-	-	-	-	-	-	250,000	250,000
Inventories	-	-	733,865	-	-	-	-	733,865

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

	General Fund	Special Revenue: Special Education Fund	Special Revenue: Vocational Education Fund	Special Revenue: Cooperative Fund	2023 Bond Construction	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES (concluded)								
FUND BALANCES (concluded)								
Restricted								
Endowment earnings	$ -	$ -	$ -	$ -	$ -	$ -	$ 114,181	$ 114,181
Debt service	-	-	-	-	-	-	39,970	39,970
Special education	-	11,079,495	-	-	-	-	-	11,079,495
Vocational education	-	-	1,165,847	-	-	-	-	1,165,847
Cooperative services	-	-	-	1,011,894	-	-	-	1,011,894
Capital projects	-	-	-	-	5,198,764	-	-	5,198,764
Committed for student/school activities	-	-	-	-	-	-	372,975	372,975
Assigned								
Compensated absences	1,958,603	-	-	-	-	-	-	1,958,603
Subsequent year expenditures	1,754,594	-	-	-	-	-	-	1,754,594
Capital projects	-	-	-	-	-	37,947,775	-	37,947,775
Unassigned	1,039,378	-	-	-	-	-	-	1,039,378
TOTAL FUND BALANCES	4,852,137	11,424,481	2,103,480	1,087,020	5,198,764	37,947,775	777,126	63,390,783
TOTAL LIABILITIES AND FUND BALANCES	$ 24,384,842	$ 18,622,177	$ 3,290,263	$ 1,976,774	$ 6,914,239	$ 39,846,611	$ 782,975	$ 95,817,881
Total governmental fund balances								$ 63,390,783
Amounts reported for governmental activities in the statement of net position are different because:								
Deferred outflow of resources - related to pension								17,131,962
Deferred outflow of resources - related to OPEB								3,451,855
Deferred inflow of resources - related to pension								(21,686,885)
Deferred inflow of resources - related to OPEB								(16,618,032)
Deferred inflow of resources - related to state pension funding								(5,552,710)
Some assets are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.								
Noncurrent assets at year-end consist of:								
Net other postemployment benefits asset								19,433,006
Capital assets used in governmental activities are not financial resources and are not reported in the funds:								
The cost of the capital assets not being depreciated/amortized is							$ 20,433,183	
The cost of the capital assets being depreciated/amortized is							77,459,764	
Accumulated depreciation/amortization is							(25,687,899)	
								72,205,048
Long-term obligations are not due and payable in the current period and are not reported in the funds:								
Bonds payable								(25,025,001)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid								(95,729)
Compensated absences								(1,958,603)
Arbitrage liability								(483,550)
Net pension liability								(67,734,974)
Net position of governmental activities								$ 36,457,170

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

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2026

	General Fund	Special Revenue: Special Education Fund	Special Revenue: Vocational Education Fund	Special Revenue: Cooperative Fund	2023 Bond Construction	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES								
Local sources								
Property taxes	$ 2,312,324	$ 87,875,504	$ 19,567,329	$ -	$ -	$ -	$ 17,140,407	$ 126,895,564
Tuition	-	-	638,817	-	-	-	-	638,817
Investment earnings	1,033,942	1,951,253	457,675	-	428,001	40,526	31,469	3,942,866
Student/school activities	-	-	-	-	-	-	290,771	290,771
Other	1,064,888	5,023,682	357,352	1,074,828	-	136,003	-	7,656,753
Total local sources	4,411,154	94,850,439	21,021,173	1,074,828	428,001	176,529	17,462,647	139,424,771
State sources	33,486,496	22,237,548	3,771,091	661,804	-	-	-	60,156,939
Federal sources	1,745,036	14,502,378	1,159,829	31,533	-	-	-	17,438,776
Intergovernmental revenues	124,809	24,089	79,597	6,199,607	-	-	-	6,428,102
TOTAL REVENUES	39,767,495	131,614,454	26,031,690	7,967,772	428,001	176,529	17,462,647	223,448,588
EXPENDITURES								
Current								
Instruction	13,639	13,282,893	10,364,920	-	-	-	-	23,661,452
Supporting services	14,404,117	28,199,323	9,547,933	11,116,270	-	-	163,022	63,430,665
Community service activities	564,857	3,685	-	180,081	-	-	-	748,623
Interdistrict transactions	-	-	-	-	-	-	17,032,006	17,032,006
Capital outlay	-	-	-	-	10,463,981	10,500,423	-	20,964,404
Debt service								
Principal repayment	-	-	-	-	-	-	400,000	400,000
Interest	-	-	-	-	-	-	1,168,750	1,168,750
Other	-	-	-	-	974	-	-	974
Intergovernmental expenditures	25,492,189	79,351,768	391,527	-	-	-	-	105,235,484
TOTAL EXPENDITURES	40,474,802	120,837,669	20,304,380	11,296,351	10,464,955	10,500,423	18,763,778	232,642,358

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

	General Fund	Special Revenue: Special Education Fund	Special Revenue: Vocational Education Fund	Special Revenue: Cooperative Fund	2023 Bond Construction	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (707,307)	$ 10,776,785	$ 5,727,310	$ (3,328,579)	$ (10,036,954)	$ (10,323,894)	$ (1,301,131)	$ (9,193,770)
OTHER FINANCING SOURCES (USES)								
Transfers in	6,410,946	108,401	-	3,355,534	-	17,333,814	1,568,751	28,777,446
Transfers out	(6,033,882)	(12,546,376)	(9,999,536)	(89,251)	-	-	(108,401)	(28,777,446)
TOTAL OTHER FINANCINGS SOURCES (USES)	377,064	(12,437,975)	(9,999,536)	3,266,283	-	17,333,814	1,460,350	-
NET CHANGE IN FUND BALANCES	(330,243)	(1,661,190)	(4,272,226)	(62,296)	(10,036,954)	7,009,920	159,219	(9,193,770)
FUND BALANCES								
Beginning of year	5,182,380	13,085,671	6,375,706	1,149,316	15,235,718	30,937,855	617,907	72,584,553
End of year	$ 4,852,137	$ 11,424,481	$ 2,103,480	$ 1,087,020	$ 5,198,764	$ 37,947,775	$ 777,126	$ 63,390,783

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

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Net Change in Fund Balances Total Governmental Funds	$ (9,193,770)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation/amortization:	
Depreciation/amortization expense	(3,179,388)
Capital outlay	21,415,981
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable, beginning of the year	196,375
Accrued interest payable, end of the year	(95,729)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts, when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items are as follows:	
Arbitrage liability, beginning of year	469,183
Arbitrage liability, end of year	(483,550)
Payments on debt	400,000
Amortization of bond premium	75,926
Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences, beginning of the year	1,784,009
Accrued compensated absences, end of the year	(1,958,603)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Pension related items	8,522,692
OPEB related items	6,741,532
Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period:	
State aid funding for pension, beginning of year	4,630,041
State aid funding for pension, end of year	(5,552,710)
Change in Net Position of Governmental Activities	$ 23,771,989

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Description of Government-wide Financial Statements

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

Basis of Presentation - Government-wide Financial Statements

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

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

Basis of Presentation - Fund Financial Statements

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

The District reports the following *Major Governmental Funds*:

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (concluded)

Major Governmental Funds (concluded):

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

	2023 Bond Construction
Revenues and other financing sources	$ 29,153,883
Expenditures and other financing uses	$ 23,955,119

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

The District reports the following *Other Nonmajor Funds*:

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

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

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

The *Permanent Fund* is accounted for using the accrual method of accounting. It is used to account for monies held in a perpetual trust, the earnings of which may be used for specified educational purposes. At June 30, 2026, there was $114,181 available for expenditure. Expenditure of interest income is governed by a three-member committee which is appointed by the Board of Education.

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

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

Measurement Focus and Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (concluded)

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

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

Cash and Cash Equivalents

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

Investments

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

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

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

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

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

e. Bankers acceptances of United States banks.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Inventories and Prepaids

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

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

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

Capital Assets

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

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

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

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

Defined Benefit Plan

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Outflows

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

Deferred Inflows

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance Policies (concluded)

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

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

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

Subscription-based IT Arrangements (SBITA)

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Subscription-based IT Arrangements (SBITA) (concluded)

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

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

Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

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

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

For the year ended June 30, 2026, the District levied the following amounts per $1,000 of assessed valuation:

Fund	Mills
General fund	0.1151
Special revenue funds	
Special education fund	4.3750
Vocational education fund	0.9740
Enhancement fund	0.8523

Compensated Absences

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Revenues and Expenditures/Expenses (concluded)

Long-Term Obligations

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2026, the District had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2026, $16,413,900 of the District's bank balance of $16,671,286 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying amount is $16,531,974.

Concentration of Credit Risk - Investments

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

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

Investment Type	Fair Value	Weighted Average Maturity (years)
MILAF External Investment Pool - MAX	$ 20,067,882	N/A
MILAF External Investment Pool - CMC	5,451,664	N/A
Invesco Premier U.S. Government Money Portfolio	363,812	0.1151
Invesco Government & Agency Portfolio	11,749,759	0.1425
US Treasury Bonds/Notes	20,748,225	1.5913
Federal Agency Mortgage - Backed Security	619,679	6.5259
Federal Agency Commercial Mortgage-Backed Securities	24,930	1.3397
Federal Agency Collateralized Mortgage Obligation	170,056	8.1924
Total fair value	$ 59,196,007	
Portfolio weighted average maturity		1.1938

One day maturity equals 0.0027, one year equals 1.00.

Concentration of Credit Risk

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

Investment Type	Fair Value	Rating	Rating Agency
MILAF External Investment Pool - MAX	$ 20,067,882	AAAm	Standard & Poor's
MILAF External Investment Pool - CMC	5,451,664	AAAm	Standard & Poor's
Invesco Premier U.S. Government Money Portfolio	363,812	AAAm	Standard & Poor's
Invesco Government & Agency Portfolio	11,749,759	AAAm	Standard & Poor's
Federal Agency Mortgage - Backed Security	619,679	AA+	Standard & Poor's
Federal Agency Commercial Mortgage-Backed Securities	24,930	AA+	Standard & Poor's
Federal Agency Collateralized Mortgage Obligation	170,056	AA+	Standard & Poor's
Total	$ 38,447,782		

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Foreign Currency Risk

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

Fair Value Measurement

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

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

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

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

	Level 1	Level 2	Level 3	Balance at June 30, 2026
Investments by fair value level				
US Treasury Bonds/Notes	$ 20,748,225	$ -	$ -	$ 20,748,225
Invesco Premier U.S. Government Money Portfolio	-	363,812	-	363,812
Invesco Government & Agency Portfolio	-	11,749,759	-	11,749,759
Federal Agency Mortgage - Backed Security	-	619,679	-	619,679
Federal Agency Commercial Mortgage-Backed Securities	-	24,930	-	24,930
Federal Agency Collateralized Mortgage Obligation	-	170,056	-	170,056
Total	$ 20,748,225	$ 12,928,236	$ -	$ 33,676,461

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

NOTE 2 - DEPOSITS AND INVESTMENTS (concluded)

Fair Value Measurement (concluded)

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

	Amortized Cost
MILAF External Investment Pool - MAX	$ 20,067,882
MILAF External Investment Pool - CMC	5,451,664
	$ 25,519,546

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

The following summarizes the categorization of these amounts as of June 30, 2026:

	Primary Government
Cash and cash equivalents	$ 16,531,974
Investments	59,196,007
	$ 75,727,981

NOTE 3 - INTERGOVERNMENTAL RECEIVABLES

At June 30, 2026, intergovernmental receivables consist of the following:

	Government-wide
State aid	$ 10,188,951
Federal revenue	4,798,938
Local/intermediate sources/other	190,837
	$ 15,178,726

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

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2025	Additions/ Reclassification	Deletions/ Reclassification	Balance June 30, 2026
Capital assets not being depreciated/amortized				
Land	$ 4,400,451	$ -	$ -	$ 4,400,451
Intangible assets - access rights	875,826	1,466,761	-	2,342,587
Construction in progress	17,538,844	19,153,256	23,001,955	13,690,145
Total capital assets not being depreciated/amortized	22,815,121	20,620,017	23,001,955	20,433,183
Capital assets being depreciated/amortized				
Land improvements	3,241,286	10,800	315,614	2,936,472
Buildings and structures	40,889,894	21,483,070	333,578	62,039,386
Right to use - subscription-based IT	314,463	-	-	314,463
Furniture and equipment	10,051,637	2,304,049	186,243	12,169,443
Total capital assets being depreciated/amortized	54,497,280	23,797,919	835,435	77,459,764
Less accumulated depreciation/amortization				
Land improvements	1,379,511	354,099	315,614	1,417,996
Buildings and structures	14,587,968	1,918,145	333,578	16,172,535
Right to use - subscription-based IT	188,679	62,893	-	251,572
Furniture and equipment	7,187,788	844,251	186,243	7,845,796
Total accumulated depreciation/amortization	23,343,946	3,179,388	835,435	25,687,899
Total capital assets being depreciated/amortized, net	31,153,334	20,618,531	-	51,771,865
Governmental capital assets, net	$ 53,968,455	$ 41,238,548	$ 23,001,955	$ 72,205,048

Depreciation/amortization expense for the fiscal year ended June 30, 2026 amounted to $3,179,388. The District determined that it was impractical to allocate depreciation/amortization to the various governmental activities as the assets serve multiple functions.

NOTE 5 - INTERGOVERNMENTAL PAYABLES

Intergovernmental payables as of June 30, 2026 consisted of the following:

Homeless	$ 14,452
GSRP	4,340,829
IDEA Preschool	120,542
IDEA Flowthrough	4,415,259
Title III	18,774
Title I RAG	56,022
Contracted services	61,380
31n	924,495
Other	107,296
	$ 10,059,049

NOTE 6 - LONG-TERM OBLIGATIONS

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

The following is a summary of the changes in long-term obligations of the District for the year ended June 30, 2026.

	General Obligation Bonds	Compensated Absences*	Total
Balance, July 1, 2025	$ 25,500,927	$ 1,784,009	$ 27,284,936
Additions	-	174,594	174,594
Deletions	(475,926)	-	(475,926)
Balance, June 30, 2026	25,025,001	1,958,603	26,983,604
Due within one year	420,000	195,860	615,860
Due in more than one year	$ 24,605,001	$ 1,762,743	$ 26,367,744

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

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

Long-term obligations at June 30, 2026 are comprised of the following issues:

General Obligation Bond	
2023 Building and Site bonds due in annual installments of $420,000 to $1,495,000 through June 1, 2053, with interest at 5.00%.	$ 22,975,000
Plus issuance premium	2,050,001
Total general obligation bond	25,025,001
Compensated absences	1,958,603
Total general long-term obligations	$ 26,983,604

NOTE 6 - LONG-TERM OBLIGATIONS (concluded)

The annual requirements to amortized long-term obligations outstanding exclusive of compensated absences payments as of June 30, 2026, are as follows:

Year Ending June 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	Compensated Absences	Total
2027	$ 420,000	$ 1,148,750	$ -	$ 1,568,750
2028	440,000	1,127,750	-	1,567,750
2029	465,000	1,105,750	-	1,570,750
2030	485,000	1,082,500	-	1,567,500
2031	510,000	1,058,250	-	1,568,250
2032-2036	2,960,000	4,882,000	-	7,842,000
2037-2041	3,785,000	4,063,500	-	7,848,500
2042-2046	4,830,000	3,017,500	-	7,847,500
2047-2051	6,160,000	1,684,000	-	7,844,000
2052-2053	2,920,000	220,750	-	3,140,750
	22,975,000	19,390,750	-	42,365,750
Issuance premium	2,050,001	-	-	2,050,001
Compensated absences	-	-	1,958,603	1,958,603
	$ 25,025,001	$ 19,390,750	$ 1,958,603	$ 46,374,354

Interest expense at the fund level was $1,168,750 for the year ended June 30, 2026.

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

Interfund receivable and payable balances at June 30, 2026 are as follows:

Receivable Fund	Amount	Payable Fund	Amount
General fund	$ 750,000	Cooperative fund	$ 750,000

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

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

The composition of interfund transfers is as follows:

	Transfers In					
Transfers Out	General Fund	Special Education	Capital Projects	Cooperative Fund	Nonmajor Governmental Funds	Total
General fund	$ -	$ -	$ 2,702,762	$ 3,154,710	$ 176,410	$ 6,033,882
Special education	3,070,925	-	8,976,268	200,824	298,359	12,546,376
Vocational education	3,250,770	-	5,654,784	-	1,093,982	9,999,536
Cooperative fund	89,251	-	-	-	-	89,251
Nonmajor governmental funds	-	108,401	-	-	-	108,401
Totals	$ 6,410,946	$ 108,401	$ 17,333,814	$ 3,355,534	$ 1,568,751	$ 28,777,446

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

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

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

Benefits Provided - Overall

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

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

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided - Pension

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

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

Pension Reform 2010

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

Pension Reform 2012

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

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

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

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

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

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (concluded)

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

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

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

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

Employees who first work on or after September 4, 2012, and before February 1, 2018, choose between two retirement plans: The Pension Plus Plan and a Defined Contribution Plan that provides a 50% employer match (up to 3% of salary) on employee contributions.

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

Pension Reform of 2017

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

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform of 2017 (concluded)

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

Pension Reform of 2023

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

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Regular Retirement (no reduction factor for age)

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

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

Member Contributions

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

Employer Contributions

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

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

Pension and OPEB contributions made in the fiscal year ending September 30, 2025 were determined as of the September 30, 2022 actuarial valuations. The pension and OPEB unfunded (overfunded) actuarial accrued liabilities (UAAL) as of September 30, 2022 are amortized over a 14-year period beginning October 1, 2024 and ending September 30, 2038.

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

	Pension	Other Postemployment Benefit
October 1, 2025 - September 30, 2026	15.21% - 26.08%	0.00% - 3.83%
October 1, 2024 - September 30, 2025	20.96% - 30.11%	0.00% - 1.25%

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (concluded)

The District's pension contributions for the year ended June 30, 2026 were equal to the required contribution total. Total pension contributions were approximately $12,858,000. Of the total pension contributions approximately $12,315,000 was contributed to fund the Defined Benefit Plan and approximately $543,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2026 were equal to the required contribution total. Total OPEB contributions were approximately $791,000. Of the total OPEB contributions approximately $480,000 was contributed to fund the Defined Benefit Plan and approximately $311,000 was contributed to fund the Defined Contribution Plan.

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

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

The net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2024 and rolled-forward using generally accepted actuarial procedures.

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

MPSERS (Plan) Non-university Employers	September 30, 2025	September 30, 2024
Total pension liability	$ 97,436,103,863	$ 95,765,499,515
Plan fiduciary net position	$ 77,403,114,236	$ 71,283,482,728
Net pension liability	$ 20,032,989,627	$ 24,482,016,787
Proportionate share	0.33812%	0.34335%
Net pension liability for the District	$ 67,734,974	$ 84,059,068

For the year ended June 30, 2026, the District recognized pension expense of $3,707,484.

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

At June 30, 2026, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 2,431,202	$ 3,579,956
Net difference between projected and actual plan investment earnings	-	16,187,208
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,561,140	1,316,411
Differences between expected and actual experience	2,623,570	603,310
Reporting Unit's contributions subsequent to the measurement date	10,516,050	-
	$ 17,131,962	$ 21,686,885

$10,516,050, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Year Ending June 30,	Amount
2027	$ (437,059)
2028	(7,094,351)
2029	(5,737,035)
2030	(1,802,528)
	$ (15,070,973)

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

The net OPEB liability (asset) was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2024 and rolled-forward using generally accepted actuarial procedures.

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

MPSERS (Plan) Non-university Employers	September 30, 2025	September 30, 2024
Total OPEB liability	$ 9,360,649,860	$ 9,991,545,923
Plan fiduciary net position	$ 15,439,767,833	$ 14,295,943,589
Net OPEB liability (asset)	$ (6,079,117,973)	$ (4,304,397,666)
Proportionate share	0.31967%	0.33913%
Net OPEB liability (asset) for the District	$ (19,433,006)	$ (14,597,674)

For the year ended June 30, 2026, the District recognized OPEB benefit of $6,176,309.

At June 30, 2026, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 2,593,543	$ 206,104
Net difference between projected and actual plan investment earnings	-	2,730,761
Changes in proportion and differences between employer contributions and proportionate share of contributions	508,007	376,410
Differences between expected and actual experience	-	13,304,757
Reporting Unit's contributions subsequent to the measurement date	350,305	-
	$ 3,451,855	$ 16,618,032

$350,305, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

Year Ending June 30,	Amount
2027	$ (3,615,267)
2028	(3,515,917)
2029	(3,232,654)
2030	(2,136,802)
2031	(777,827)
2032	(238,015)
	$ (13,516,482)

Actuarial Assumptions

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

Investment Rate of Return for OPEB - 6.00% a year, compounded annually net of investment and administrative expenses.

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

Inflation - 3.0%.

Mortality Assumptions -

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

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

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

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

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.75% for year one and graded to 3.50% in year fifteen. Post 65, 6.50% for year one and graded to 3.50% in year fifteen.

Additional Assumptions for Other Postemployment Benefit Only - Applies to Individuals Hired Before September 4, 2012:

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

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

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

The target asset allocation at September 30, 2025, and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

* Long term rate of return are net of administrative expenses and 2.4% inflation.

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

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

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

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	$ 106,889,524	$ 67,734,974	$ 35,124,245

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

NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (concluded)

Actuarial Assumptions (concluded)

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	$ (16,742,764)	$ (19,433,006)	$ (21,787,551)

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

	Other Postemployment Benefits		
	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	$ (21,766,065)	$ (19,433,006)	$ (16,983,371)

Pension and OPEB Plan Fiduciary Net Position

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

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

NOTE 9 - RISK MANAGEMENT

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

NOTE 9 - RISK MANAGEMENT (concluded)

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

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

No settlements have occurred in excess of coverage for June 30, 2026 or any of the prior three years.

The District also has a self-insured dental and vision plan for the benefit of certain employees. Claims are handled by an administrative service organization, which is reimbursed on a regular basis by the District. No estimate of claims incurred but not reported under the plan is available, but District management expects the amount, if any, to be immaterial to the basic financial statements as of June 30, 2026. There were no significant reductions in insurance coverage during the year.

NOTE 10 - CONTINGENT LIABILITIES

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

NOTE 11 - TAX ABATEMENTS

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

Municipality	Taxes Abated
Allendale Charter Township	$ 9,753
Blendon Township	2,439
Chester Township	31
City of Coopersville	152,742
Crockery Township	16,524
Georgetown Township	20,196
City of Grand Haven	252,347
Grand Haven Township	12,721
Heath Township	187
Holland Charter Township	442,839
City of Holland	1,606,340
City of Hudsonville	152,677
Jamestown Township	111,218
Laketown Township	14,510
Manlius Township	198
Monterey Township	55
Norton Shores	34,177
Olive Township	11,474
Park Township	3,550
Robinson Township	687
City of Saugatuck	2,190
Saugatuck Township	39
Spring Lake Township	79,922
Wright Township	6,329
City of Zeeland	161,163
Zeeland Township	103,729
	$ 3,198,037

There are no abatements made by the District.

NOTE 12 - COMMITMENTS

The District has active capital projects outstanding at June 30, 2026. $5,198,764 has been restricted and $37,947,775 has been assigned and recorded as fund balance in the 2023 Bond Construction fund and the Capital Projects fund, respectively.

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026-2027 fiscal year.

NOTE 14 - CHANGES IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2026, the District implemented the following GASB standards:

GASB Statement No. 103, *Financial Reporting Model Improvements.* The Standard addressed the following areas:

a. Management's discussion and analysis (MD&A);
b. Unusual or infrequent items;
c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements should be presented after the fund financial statements;
e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. This Statement also requires additional disclosures for capital assets held for sale.

REQUIRED SUPPLEMENTARY INFORMATION

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original and Final Budget	Actual	Variance with Final Budget
	Original	Final			
REVENUES					
Local sources	$ 3,266,089	$ 4,101,349	$ 835,260	$ 4,411,154	$ 309,805
State sources	33,471,794	34,177,138	705,344	33,486,496	(690,642)
Federal sources	2,306,130	1,964,652	(341,478)	1,745,036	(219,616)
Intergovernmental revenues	110,490	114,915	4,425	124,809	9,894
TOTAL REVENUES	39,154,503	40,358,054	1,203,551	39,767,495	(590,559)
EXPENDITURES					
Current					
Instruction					
Added needs	10,171	14,061	(3,890)	13,639	422
Supporting services					
Pupil	836,210	396,282	439,928	363,605	32,677
Instructional staff	8,344,234	7,094,402	1,249,832	6,950,251	144,151
General administration	610,321	622,191	(11,870)	613,967	8,224
Business services	1,674,126	1,615,735	58,391	1,587,267	28,468
Operation and maintenance	1,050,930	928,363	122,567	826,417	101,946
Pupil transportation	-	27,080	(27,080)	2,709	24,371
Central services	4,273,108	4,120,966	152,142	4,059,901	61,065
Total supporting services	16,788,929	14,805,019	1,983,910	14,404,117	400,902
Community services	811,688	888,337	(76,649)	564,857	323,480
Intergovernmental and other expenditures	24,279,763	26,454,195	(2,174,432)	25,492,189	962,006
TOTAL EXPENDITURES	41,890,551	42,161,612	(271,061)	40,474,802	1,686,810
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,736,048)	(1,803,558)	932,490	(707,307)	1,096,251
OTHER FINANCING SOURCES (USES)					
Transfers in	7,131,504	6,556,320	(575,184)	6,410,946	(145,374)
Transfers out	(5,308,084)	(5,665,333)	(357,249)	(6,033,882)	(368,549)
TOTAL OTHER FINANCING SOURCES (USES)	1,823,420	890,987	(932,433)	377,064	(513,923)
NET CHANGE IN FUND BALANCE	(912,628)	(912,571)	57	(330,243)	582,328
FUND BALANCE					
Beginning of year	5,182,380	5,182,380	-	5,182,380	-
End of year	$ 4,269,752	$ 4,269,809	$ 57	$ 4,852,137	$ 582,328

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
SPECIAL EDUCATION FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original and Final Budget	Actual	Variance with Final Budget
	Original	Final			
REVENUES					
Local sources	$ 85,514,667	$ 93,977,267	$ 8,462,600	$ 94,850,439	$ 873,172
State sources	21,841,187	21,835,066	(6,121)	22,237,548	402,482
Federal sources	14,030,776	14,140,314	109,538	14,502,378	362,064
Intergovernmental revenues	15,219	28,022	12,803	24,089	(3,933)
TOTAL REVENUES	121,401,849	129,980,669	8,578,820	131,614,454	1,633,785
EXPENDITURES					
Current					
Instruction					
Student instruction and added needs	14,864,248	13,532,810	1,331,438	13,282,893	249,917
Supporting services					
Pupil	14,582,644	16,284,655	(1,702,011)	16,013,156	271,499
Instructional staff	2,490,248	2,461,772	28,476	2,396,943	64,829
General administration	17,363	17,363	-	18,969	(1,606)
School administration	2,054,702	1,765,732	288,970	1,723,317	42,415
Business services	291,715	305,349	(13,634)	284,977	20,372
Operation and maintenance	2,111,569	2,070,777	40,792	1,996,825	73,952
Pupil transportation	3,574,304	3,864,127	(289,823)	4,302,382	(438,255)
Central services	1,746,178	1,483,103	263,075	1,462,754	20,349
Other	550	550	-	-	550
Total supporting services	26,869,273	28,253,428	(1,384,155)	28,199,323	54,105
Community services	10,300	10,300	-	3,685	6,615
Intergovernmental expenditures and other	73,965,191	79,204,922	(5,239,731)	79,351,768	(146,846)
TOTAL EXPENDITURES	115,709,012	121,001,460	(5,292,448)	120,837,669	163,791
EXCESS OF REVENUES OVER EXPENDITURES	5,692,837	8,979,209	3,286,372	10,776,785	1,797,576
OTHER FINANCING SOURCES (USES)					
Transfers in	112,688	108,942	(3,746)	108,401	(541)
Transfers out	(10,993,332)	(11,928,806)	(935,474)	(12,546,376)	(617,570)
TOTAL OTHER FINANCING SOURCES (USES)	(10,880,644)	(11,819,864)	(939,220)	(12,437,975)	(618,111)
NET CHANGE IN FUND BALANCE	(5,187,807)	(2,840,655)	2,347,152	(1,661,190)	1,179,465
FUND BALANCE					
Beginning of year	13,085,671	13,085,671	-	13,085,671	-
End of year	$ 7,897,864	$ 10,245,016	$ 2,347,152	$ 11,424,481	$ 1,179,465

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
VOCATIONAL EDUCATION FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original and Final Budget	Actual	Variance with Final Budget
	Original	Final			
REVENUES					
Local sources	$ 21,239,297	$ 21,068,161	$ (171,136)	$ 21,021,173	$ (46,988)
State sources	3,406,143	3,790,189	384,046	3,771,091	(19,098)
Federal sources	487,518	538,791	51,273	1,159,829	621,038
Intergovernmental revenues	30,000	79,201	49,201	79,597	396
TOTAL REVENUES	25,162,958	25,476,342	313,384	26,031,690	555,348
EXPENDITURES					
Current					
Instruction					
Basic programs	9,365,070	9,468,067	(102,997)	9,481,485	(13,418)
Adult continuing education	939,121	856,377	82,744	883,435	(27,058)
Total instruction	10,304,191	10,324,444	(20,253)	10,364,920	(40,476)
Supporting services					
Pupil	2,610,193	2,639,114	(28,921)	2,809,075	(169,961)
Instructional staff	3,371,002	3,465,258	(94,256)	3,418,354	46,904
General administration	17,000	15,000	2,000	17,455	(2,455)
School administration	607,141	644,442	(37,301)	654,820	(10,378)
Business services	89,370	88,204	1,166	81,635	6,569
Operation and maintenance	1,733,019	1,916,251	(183,232)	1,928,694	(12,443)
Pupil transportation	168,000	160,500	7,500	159,074	1,426
Central services	538,637	505,361	33,276	478,826	26,535
Total supporting services	9,134,362	9,434,130	(299,768)	9,547,933	(113,803)
Intergovernmental expenditures	174,000	386,499	(212,499)	391,527	(5,028)
TOTAL EXPENDITURES	19,612,553	20,145,073	(532,520)	20,304,380	(159,307)
EXCESS OF REVENUES OVER EXPENDITURES	5,550,405	5,331,269	(219,136)	5,727,310	396,041
OTHER FINANCING (USES)					
Transfers out	(8,310,254)	(10,019,665)	(1,709,411)	(9,999,536)	20,129
NET CHANGE IN FUND BALANCE	(2,759,849)	(4,688,396)	(1,928,547)	(4,272,226)	416,170
FUND BALANCE					
Beginning of year	6,375,706	6,375,706	-	6,375,706	-
End of year	$ 3,615,857	$ 1,687,310	$ (1,928,547)	$ 2,103,480	$ 416,170

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
COOPERATIVE FUND
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original and Final Budget	Actual	Variance with Final Budget
	Original	Final			
REVENUES					
Local sources	$ 943,328	$ 984,580	$ 41,252	$ 1,074,828	$ 90,248
State sources	541,223	730,687	189,464	661,804	(68,883)
Federal sources	-	31,533	31,533	31,533	-
Intergovernmental revenues	6,031,331	6,195,625	164,294	6,199,607	3,982
TOTAL REVENUES	7,515,882	7,942,425	426,543	7,967,772	25,347
EXPENDITURES					
Current					
Supporting services					
Instructional staff	331,448	315,887	15,561	284,611	31,276
Business services	1,887,717	1,903,467	(15,750)	1,872,849	30,618
Central services	6,891,384	6,826,967	64,417	6,766,850	60,117
Other	1,912,000	2,192,680	(280,680)	2,191,960	720
Total supporting services	11,022,549	11,239,001	(216,452)	11,116,270	122,731
Community services	182,626	181,047	1,579	180,081	966
TOTAL EXPENDITURES	11,205,175	11,420,048	(214,873)	11,296,351	123,697
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,689,293)	(3,477,623)	211,670	(3,328,579)	149,044
OTHER FINANCING SOURCES (USES)					
Transfers in	3,654,367	3,487,802	(166,565)	3,355,534	(132,268)
Transfers out	(67,723)	(72,459)	(4,736)	(89,251)	(16,792)
TOTAL OTHER FINANCING SOURCES (USES)	3,586,644	3,415,343	(171,301)	3,266,283	(149,060)
NET CHANGE IN FUND BALANCE	(102,649)	(62,280)	40,369	(62,296)	(16)
FUND BALANCE					
Beginning of year	1,149,316	1,149,316	-	1,149,316	-
End of year	$ 1,046,667	$ 1,087,036	$ 40,369	$ 1,087,020	$ (16)

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Reporting Unit's proportion of net pension liability (%)	0.33812%	0.34335%	0.33873%	0.33096%	0.33041%	0.32750%	0.31651%	0.30013%	0.28683%	0.27194%
Reporting Unit's proportionate share of net pension liability	$ 67,734,974	$ 84,059,068	$ 109,632,693	$ 124,469,050	$ 78,225,365	$ 112,498,696	$ 104,817,944	$ 90,223,889	$ 74,330,082	$ 67,845,697
Reporting Unit's covered-employee payroll	$ 37,987,628	$ 36,223,396	$ 34,981,614	$ 32,184,292	$ 30,154,102	$ 29,889,232	$ 28,457,538	$ 26,627,363	$ 24,482,508	$ 23,572,921
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	178.31%	232.06%	313.40%	386.74%	259.42%	376.39%	368.33%	338.84%	303.60%	287.81%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	79.44%	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contributions	$ 12,315,394	$ 14,857,658	$ 13,991,175	$ 15,173,971	$ 10,639,616	$ 9,790,675	$ 8,819,119	$ 8,260,023	$ 7,793,375	$ 6,750,027
Contributions in relation to statutorily required contributions	12,315,394	14,857,658	13,991,175	15,173,971	10,639,616	9,790,675	8,819,119	8,260,023	7,793,375	6,750,027
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 39,086,991	$ 37,541,356	$ 35,706,745	$ 34,451,970	$ 31,587,563	$ 30,079,684	$ 29,669,244	$ 28,033,877	$ 26,023,387	$ 24,183,117
Contributions as a percentage of covered-employee payroll	31.51%	39.58%	39.18%	44.04%	33.68%	32.55%	29.72%	29.46%	29.95%	27.91%

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY (ASSET)
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST NINE FISCAL YEARS (DETERMINED
AS OF PLAN YEAR ENDED SEPTEMBER 30)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability (asset) (%)	0.31967%	0.33912%	0.34701%	0.32844%	0.33028%	0.33498%	0.32408%	0.31165%	0.28722%
Reporting Unit's proportionate share of net OPEB liability (asset)	$ (19,433,006)	$ (14,597,674)	$ (1,963,035)	$ 6,956,498	$ 5,041,293	$ 17,945,724	$ 23,261,395	$ 24,773,120	$ 25,434,495
Reporting Unit's covered-employee payroll	$ 37,987,628	$ 36,223,396	$ 34,981,614	$ 32,184,292	$ 30,154,102	$ 29,889,232	$ 28,457,538	$ 26,627,363	$ 24,482,508
Reporting Unit's proportionate share of net OPEB liability (asset) as a percentage of its covered-employee payroll	51.16%	40.30%	5.61%	21.61%	16.72%	60.04%	81.74%	93.04%	103.89%
Plan fiduciary net position as a percentage of total OPEB liability (asset) (Non-university employers)	164.94%	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

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

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	$ 480,005	$ 189,120	$ 2,915,797	$ 2,732,701	$ 2,394,574	$ 2,567,144	$ 2,472,002	$ 2,295,098	$ 2,220,158
Contributions in relation to statutorily required contributions	480,005	189,120	2,915,797	2,732,701	2,394,574	2,567,144	2,472,002	2,295,098	2,220,158
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 39,086,991	$ 37,451,356	$ 35,706,745	$ 34,451,970	$ 31,587,563	$ 30,079,684	$ 29,669,244	$ 28,033,877	$ 26,023,387
Contributions as a percentage of covered-employee payroll	1.23%	0.50%	8.17%	7.93%	7.58%	8.53%	8.33%	8.19%	8.53%

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

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2026

NOTE 1 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

b. Public hearings are conducted to obtain taxpayer comments.

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

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

e. The final budget was approved prior to June 30, 2026 year-end.

NOTE 2 - BUDGETARY COMPARISON

Significant Variances Between Original and Final Budget (General Fund)

	Variance	Explanation
REVENUES		
Local sources	$ 835,260	The District amended their original budget as interest revenue was higher than expected.
State sources	705,344	At the time the original budget was adopted, the state budget for FY2026 had not yet been finalized. The District ended up receiving additional state categorical funds, as well as an increased foundation allowance (per-pupil allowance), that were not included in the original budget.
Federal sources	(341,478)	The decrease in budgeted federal sources from the original to final budget was due to the unanticipated loss of the District's HRA funds during FY2026.
EXPENDITURES		
Support - Pupil	439,928	The decrease in pupil expenditures is due to the District reducing staffing due to the loss of the 32p grant.
Support - Instructional staff	1,249,832	The decrease in budgeted expenditures is due to grant carryover amounts not being known at the time of the original budget adoption. Once the grant carryover amounts were known, the District decreased the amount budgeted for instructional staff due to receiving a reduction in funding.
Intergovernmental and other expenditures	(2,174,432)	As the District received additional Great Start Readiness Program (GSRP) funds in the current year, the District passed through additional funds to local educational agencies.
OTHER FINANCING SOURCES (USES)		
Transfers in	(575,184)	As some expenses are allocated between some of the funds (general, special education, cooperative, and vocational education) adjustments to general fund expenses reduced the transfer amounts needed from the Special Education and Vocational Education funds for their share of costs.
Transfers out	(357,249)	The original budget did not account for a large transfer from the general fund to the capital projects fund to cover additional construction costs for the LLC project.

NOTE 2 - BUDGETARY COMPARISON (continued)

Significant Variances Between Final Budget and Actual (General Fund)

	Variance	Explanation
REVENUES		
Local sources	$ 309,805	Actual revenues exceeded the final budget adopted by the District as interest income was higher than anticipated.
State sources	(690,642)	The local educational agencies spent less than anticipated of their GSRP funds in FY2026. As GSRP is a reimbursable grant, the associated revenue amount also came in under budget.
EXPENDITURES		
Community services	323,480	The District budgeted for contracted services and supplies which ended up not being needed.
Intergovernmental and other expenditures	962,006	The local educational agencies spent less than anticipated of their GSRP funds in FY2026. Some agencies also forwent their share of GSRP funds.
OTHER FINANCING SOURCES (USES)		
Transfers out	(368,549)	The District transferred more funds than anticipated from the general fund to the capital projects fund for the LLC project.

Significant Variances Between Original and Final Budget (Special Education Fund)

	Variance	Explanation
REVENUES		
Local sources	$ 8,462,600	The original adopted budget did not include additional revenue due to voter-approved millage renewal and adjustments to Medicaid revenues. The Medicaid revenues are calculated three times a year based on the settlement process.
EXPENDITURES		
Instruction - Student instruction and added needs	1,331,438	The original budget was adopted with the early childhood teachers recorded as an instruction expense. These teachers were later classified as a support expense.
Support - Pupil	(1,702,011)	The original budget was adopted with the early childhood teachers recorded as an instruction expense. These teachers were later classified as a support expense.
Intergovernmental and other expenditures	(5,239,731)	Due to increases in Medicaid and Act 18 funding, the District increased expenditures transferred to the local educational agencies.
OTHER FINANCING SOURCES (USES)		
Transfers out	(935,474)	The original budget did not account for a large transfer from the special education fund to the capital projects fund to cover construction costs for the Georgetown project.

NOTE 2 - BUDGETARY COMPARISON (continued)

Significant Variances Between Final Budget and Actual (Special Education Fund)

	Variance	Explanation
REVENUES		
Local sources	$ 873,172	Actual revenues exceeded the final budget adopted by the District due to higher than expected interest revenue and higher Medicaid revenue from adjusted interim payment.

Significant Variances Between Original and Final Budget (Vocational Education Fund)

	Variance	Explanation
REVENUES		
State sources	$ 384,046	At the time the original budget was adopted, the state budget for FY2026 had not yet been finalized. The District ended up receiving additional state categorical funds, as well as an increased foundation allowance (per-pupil allowance), that were not included in the original budget.
EXPENDITURES		
Support - Operation and maintenance	(183,232)	The District spent more than originally budgeted for on snow removal in FY2026 due to the expanded Careerline Tech Center, as well as worse-than-expected weather conditions.
Intergovernmental expenditures	(212,499)	The District amended the original budget to account for a new MEERA (My Environmental Education Evaluation Resource Assistant) pass-through grant and an increase in 61d funds received which were passed through to local educational agencies (LEA).
OTHER FINANCING (USES)		
Transfers out	(1,709,411)	The original budget did not account for a large transfer from the Vocational Education fund to the capital projects fund for a fire suppression project and Careerline Tech Center West Renovation changes.

Significant Variances Between Final Budget and Actual (Vocational Education Fund)

	Variance	Explanation
REVENUES		
Federal sources	$ 621,038	The District received E-Rate funds that were not anticipated to be received.
EXPENDITURES		
Support - Pupil	(169,961)	The District had two more employees at the end of the year than budgeted for (a WBL trainer and Adult Ed Navigator), causing actual expenses to exceed budgeted amounts.

NOTE 2 - BUDGETARY COMPARISON (concluded)

Significant Variances Between Original and Final Budget (Cooperative Fund)

	Variance	Explanation
REVENUES		
State sources	$ 189,464	At the time the original budget was adopted, the state budget for FY2026 had not yet been finalized. The District ended up receiving additional state categorical funds.
Intergovernmental revenues	164,294	The District experienced higher enrollment in the online consortium than budgeted for.
EXPENDITURES		
Other expenses	(280,680)	The District experienced higher enrollment in the online consortium than budgeted for.
OTHER FINANCING SOURCES		
Transfers in	(166,565)	Due to higher revenues than anticipated, the District did not need to transfer as much funds into the Cooperative fund.

Significant Variances Between Final Budget and Actual (Cooperative Fund)

	Variance	Explanation
REVENUES		
Local sources	$ 90,248	The District entered into new contracts with MAISA that were not budgeted for as part of the final budget amendment.
OTHER FINANCING SOURCES		
Transfers in	(132,268)	Due to higher revenues than anticipated, the District did not need to transfer as much funds into the Cooperative fund.

NOTE 3 - PENSION INFORMATION

Benefit Changes

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

Changes in Assumptions

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

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

NOTE 3 - PENSION INFORMATION (concluded)

Changes in Assumptions (concluded)

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.

- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

NOTE 4 - OPEB INFORMATION

Benefit Changes

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

Changes in Assumptions

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

- 2025 - The health care cost trend rate used in the September 30, 2024, actuarial valuation increased by 0.50 percentage points for members under 65. This increased the plan's total OPEB liability by $267 million in 2025.

- 2024 - The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage points for members over 65.

- 2023 - The health care cost trend rate used in the September 30, 2022 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional $1.1 billion in 2022.

- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by $1.3 billion in 2021.

NOTE 4 - OPEB INFORMATION (concluded)

Changes in Assumptions (concluded)

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

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

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

ADDITIONAL SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUND TYPES

Special Revenue Funds

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

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

Debt Service Fund

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

Permanent Fund

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

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2026

	Special Revenue - Student/School Activities	Special Revenue - Enhancement Fund	Debt Service - 2023 Bond Construction	Permanent Fund	Total Nonmajor Funds
ASSETS					
Cash and cash equivalents	$ 378,078	$ 496	$ 39,970	$ 369	$ 418,913
Investments	-	-	-	363,812	363,812
Accounts receivable	250	-	-	-	250
TOTAL ASSETS	$ 378,328	$ 496	$ 39,970	$ 364,181	$ 782,975
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 5,353	$ 496	$ -	$ -	$ 5,849
FUND BALANCES					
Nonspendable					
Endowment corpus	-	-	-	250,000	250,000
Restricted					
Endowment earnings	-	-	-	114,181	114,181
Debt service	-	-	39,970	-	39,970
Committed					
Student/school activities	372,975	-	-	-	372,975
TOTAL FUND BALANCES	372,975	-	39,970	364,181	777,126
TOTAL LIABILITIES AND FUND BALANCES	$ 378,328	$ 496	$ 39,970	$ 364,181	$ 782,975

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2026

	Special Revenue - Student/School Activities	Special Revenue - Enhancement Fund	Debt Service - 2023 Bond Construction	Permanent Fund	Total Nonmajor Funds
REVENUES					
Local sources					
Property taxes	$ -	$ 17,140,407	$ -	$ -	$ 17,140,407
Investment earnings	-	-	17,943	13,526	31,469
Student/school activities	290,771	-	-	-	290,771
TOTAL REVENUES	290,771	17,140,407	17,943	13,526	17,462,647
EXPENDITURES					
Support					
Student activity expense	163,022	-	-	-	163,022
Interdistrict transactions	-	17,032,006	-	-	17,032,006
Debt service					
Principal repayment	-	-	400,000	-	400,000
Interest	-	-	1,168,750	-	1,168,750
TOTAL EXPENDITURES	163,022	17,032,006	1,568,750	-	18,763,778
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	127,749	108,401	(1,550,807)	13,526	(1,301,131)
OTHER FINANCING SOURCES					
Transfers in	-	-	1,568,751	-	1,568,751
Transfers out	-	(108,401)	-	-	(108,401)
TOTAL OTHER FINANCING SOURCES (USES)	-	(108,401)	1,568,751	-	1,460,350
NET CHANGE IN FUND BALANCES	127,749	-	17,944	13,526	159,219
FUND BALANCES					
Beginning of year	245,226	-	22,026	350,655	617,907
End of year	$ 372,975	$ -	$ 39,970	$ 364,181	$ 777,126

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
ENHANCEMENT FUND
ADDITIONAL SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original and Final Budget	Actual	Variance with Final Budget
	Original	Final			
REVENUES					
Local sources	$ 16,997,651	$ 17,128,157	$ 130,506	$ 17,140,407	$ 12,250
EXPENDITURES					
Interdistrict transactions	16,884,965	17,019,215	(134,250)	17,032,006	(12,791)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	112,686	108,942	(3,744)	108,401	(541)
OTHER FINANCING SOURCES (USES)					
Transfers out	(112,686)	(108,942)	3,744	(108,401)	541
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE					
Beginning of year	-	-	-	-	-
End of year	$ -	$ -	$ -	$ -	$ -

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
STUDENT/SCHOOL ACTIVITIES FUND
ADDITIONAL SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original and Final Budget	Actual	Variance with Final Budget
	Original	Final			
REVENUES					
Local sources	$ 112,800	$ 248,910	$ 136,110	$ 290,771	$ 41,861
EXPENDITURES					
Supporting services					
Other	109,660	106,340	3,320	163,022	(56,682)
NET CHANGE IN FUND BALANCE	3,140	142,570	139,430	127,749	(14,821)
FUND BALANCE					
Beginning of year	245,226	245,226	-	245,226	-
End of year	$ 248,366	$ 387,796	$ 139,430	$ 372,975	$ (14,821)

STATISTICAL SECTION (UNAUDITED)

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION OVERVIEW
2025-2026

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

FINANCIAL TRENDS

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

REVENUE CAPACITY

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

DEBT CAPACITY

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

DEMOGRAPHIC & ECONOMIC INFORMATION

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

OPERATIONAL INFORMATION

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

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

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Governmental Activities:										
Net investment in capital assets	$ 19,244,515	$ 19,652,174	$ 21,504,683	$ 23,297,171	$ 22,856,853	$ 25,737,742	$ 29,211,623	$ 34,629,053	$ 43,703,246	$ 52,378,811
Restricted:										
Other purposes	7,845,847	303,403	305,798	308,424	308,597	308,787	318,032	2,298,072	14,948,329	19,797,187
Unrestricted	(6,112,438)	(32,670,109)	(39,664,512)	(46,567,607)	(51,217,194)	(51,503,073)	(52,430,725)	(51,451,285)	(45,966,394)	(35,718,828)
Total Primary Government Net Position	$ 20,977,924	$ (12,714,532)	$ (17,854,031)	$ (22,962,012)	$ (28,051,744)	$ (25,456,544)	$ (22,901,070)	$ (14,524,160)	$ 12,685,181	$ 36,457,170

Note: Net position was restated for fiscal year 2018 as of July 1, 2017 with the implementation of GASB Statement 75.
Note: Net position was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB Statement 84.
Note: Net position was restated for fiscal year 2025 as of July 1, 2024 with the implementation of GASB Statement 101

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

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

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Expenses										
Governmental Activities:										
Instruction	$ 20,028,823	$ 21,007,346	$ 23,043,014	$ 24,642,319	$ 22,716,579	$ 19,630,171	$ 21,765,665	$ 22,552,648	$ 20,846,913	$ 19,573,675
Support Services	38,986,700	40,315,572	45,041,496	50,057,622	53,068,406	48,405,274	56,358,430	61,840,773	46,928,766	51,904,743
Community Services	155,700	136,527	223,800	276,231	349,078	520,564	540,256	623,061	766,206	597,508
Outgoing transfers and other transactions	57,561,318	58,130,084	59,722,050	72,462,079	75,136,263	81,029,840	86,041,748	94,273,726	108,038,382	122,267,490
Student/school activities	-	-	-	194,053	137,536	173,416	258,092	133,182	135,429	163,022
Interest on long-term debt	101,850	85,579	69,666	41,667	-	-	-	997,955	1,285,146	1,068,104
Unallocated depreciation	1,551,755	1,501,274	1,556,481	1,746,463	1,931,912	1,532,884	1,848,749	1,999,056	2,774,362	3,179,388
Total governmental activities	118,386,146	121,176,382	129,656,507	149,420,434	153,339,774	151,292,149	166,812,940	182,420,401	180,775,204	198,753,930
Program Revenues:										
Charges for Services	5,116,756	4,550,732	7,869,150	8,731,597	5,464,615	6,527,892	5,981,340	6,238,157	7,810,783	8,314,005
Operating grants and contributions	39,452,797	40,113,921	44,723,302	47,875,754	52,087,595	54,635,627	62,220,166	70,992,293	79,932,204	81,520,807
Total program revenue	44,569,553	44,664,653	52,592,452	56,607,351	57,552,210	61,163,519	68,201,506	77,230,450	87,742,987	89,834,812
Net (expense) revenue	(73,816,593)	(76,511,729)	(77,064,055)	(92,813,083)	(95,787,564)	(90,128,630)	(98,611,434)	(105,189,951)	(93,032,217)	(108,919,118)
General Revenues:										
Property taxes, levied for general operations	65,865,460	66,704,757	70,024,330	85,632,879	89,054,988	92,114,046	97,605,976	106,304,563	114,316,755	126,877,429
Unrestricted state aid	1,509,715	1,509,715	1,540,257	1,555,636	1,555,308	1,617,521	1,701,632	1,786,713	1,786,713	1,870,812
Other	114,711	118,635	124,644	60,902	61,796	21,478	96,898	41,461	132,877	-
Unrestricted investment earnings (loss)	32,477	34,355	235,325	320,290	25,740	(1,029,215)	1,762,402	5,434,124	5,050,863	3,942,866
Total general revenues	67,522,363	68,367,462	71,924,556	87,569,707	90,697,832	92,723,830	101,166,908	113,566,861	121,287,208	132,691,107
Change in net position	$ (6,294,230)	$ (8,144,267)	$ (5,139,499)	$ (5,243,376)	$ (5,089,732)	$ 2,595,200	$ 2,555,474	$ 8,376,910	$ 28,254,991	$ 23,771,989

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

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

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General Fund:										
Reserved/Nonspendable										
Inventories	$ 116	$ -	$ 64	$ 64	$ 64	$ 64	$ 64	$ -	$ -	$ -
Prepaid Items	81,475	82,341	86,403	6,400	90,533	105,164	113,705	91,953	116,575	99,562
Assigned										
Compensated Absences	244,033	181,436	238,978	238,978	378,453	818,850	851,367	759,036	1,784,009	1,958,603
Subsequent year expenditures	246,452	199,955	169,672	408,444	462,049	445,020	476,860	498,691	912,628	1,754,594
Undesignated/Unassigned	3,869,894	3,637,286	3,631,422	3,625,310	3,705,242	3,258,724	3,192,664	3,374,750	2,369,168	1,039,378
Total General Fund	$ 4,441,970	$ 4,101,018	$ 4,126,539	$ 4,279,196	$ 4,636,341	$ 4,627,822	$ 4,634,660	$ 4,724,430	$ 5,182,380	$ 4,852,137
All Other Governmental Funds:										
Reserved/ Nonspendable										
Inventories	$ 233,070	$ 388,045	$ 1,399	$ 1,399	$ 816,810	$ 1,399	$ -	$ -	$ 465,638	$ 733,865
Prepaid items	474,346	438,755	464,422	111,527	556,025	552,755	597,536	619,818	606,370	623,880
Endowment corpus	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Restricted										
Inventories	-	-	591,735	-	-	-	-	-	-	-
Endowment earnings	52,893	53,403	55,798	58,424	58,597	58,787	68,032	85,037	100,655	114,181
Debt service	4,948	4,948	4,948	-	-	-	-	-	22,026	39,970
Special Revenue	46,178,500	36,595,499	42,549,996	42,159,509	42,130,105	39,783,284	38,102,601	27,452,179	19,538,685	13,257,236
Capital Projects	-	-	-	-	-	-	-	21,744,894	15,235,718	5,198,764
Committed for student/school activities	-	-	-	159,812	279,492	341,652	234,873	252,439	245,226	372,975
Assigned										
Compensated Absences	465,934	358,288	-	-	-	-	-	-	-	-
Subsequent year expenditures	4,443,393	7,319,018	-	-	-	-	-	-	-	-
Capital Projects Funds	3,115,581	3,098,660	3,152,754	7,327,980	9,581,257	9,514,174	11,034,837	18,639,178	30,937,855	37,947,775
Total all other governmental funds	$ 55,218,665	$ 48,506,616	$ 47,071,052	$ 50,068,651	$ 53,672,286	$ 50,502,051	$ 50,287,879	$ 69,043,545	$ 67,402,173	$ 58,538,646
Total all funds	$ 59,660,635	$ 52,607,634	$ 51,197,591	$ 54,347,847	$ 58,308,627	$ 55,129,873	$ 54,922,539	$ 73,767,975	$ 72,584,553	$ 63,390,783

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

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

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenue:										
Local revenue	$ 72,535,859	$ 72,843,227	$ 79,813,480	$ 94,960,601	$ 94,864,355	$ 97,870,753	$ 105,603,426	$ 118,274,618	$ 127,439,494	$ 139,424,771
State revenue	21,787,854	22,694,170	26,831,997	28,301,164	29,364,761	31,446,772	41,687,934	46,536,268	56,195,791	60,156,939
Federal revenue	12,467,095	12,287,049	12,980,455	13,141,747	13,955,317	17,274,766	17,436,514	17,325,189	16,879,655	17,438,776
Other sources	5,712,852	5,273,734	5,325,749	7,909,609	10,864,190	8,166,253	8,391,127	6,568,144	6,231,815	6,428,102
Total revenue	112,503,660	113,098,180	124,951,681	144,313,121	149,048,623	154,758,544	173,119,001	188,704,219	206,746,755	223,448,588
Expenditures										
Current:										
Instruction	19,762,414	20,487,559	21,464,541	21,298,536	20,229,214	20,771,031	22,653,507	23,799,499	24,290,412	23,661,452
Supporting services	38,516,520	39,521,792	41,819,549	43,729,367	48,129,997	51,204,855	59,338,143	59,423,721	60,207,047	63,430,665
Community Services	155,700	136,527	223,800	276,231	349,078	520,564	540,256	653,879	891,027	748,623
Interdistrict transactions	-	-	-	12,009,106	12,484,294	12,931,044	13,719,255	14,941,164	16,080,652	17,032,006
Other services	59,023,272	58,130,084	59,783,444	60,821,592	62,737,969	68,654,427	72,322,493	79,332,562	93,589,356	105,235,484
Debt Service:										
Principal repayment	555,000	575,000	590,000	1,250,000	-	-	-	670,000	380,000	400,000
Interest	104,625	87,975	73,600	50,000	-	-	-	898,976	1,187,750	1,168,750
Other (Issuance Costs)	-	-	-	-	-	-	-	364,245	993	974
Capital outlay	1,068,464	1,212,244	2,406,790	1,866,970	1,157,291	3,855,377	4,752,681	16,477,516	11,302,940	20,964,404
Total expenditures	119,185,995	120,151,181	126,361,724	141,301,802	145,087,843	157,937,298	173,326,335	196,561,562	207,930,177	232,642,358
Excess of Revenue Over (Under) Expenditures	(6,682,335)	(7,053,001)	(1,410,043)	3,011,319	3,960,780	(3,178,754)	(207,334)	(7,857,343)	(1,183,422)	(9,193,770)
Other Financing Sources (Uses):										
Proceeds from issuance of bonds	-	-	-	-	-	-	-	24,425,000	-	-
Debt premium or discount	-	-	-	-	-	-	-	2,277,779	-	-
Transfers in	7,736,831	9,595,238	10,675,036	15,046,535	11,796,682	12,459,992	15,980,421	28,910,039	25,345,624	28,777,446
Transfers out	(7,736,831)	(9,595,238)	(10,675,036)	(15,046,535)	(11,796,682)	(12,459,992)	(15,980,421)	(28,910,039)	(25,345,624)	(28,777,446)
Total other financing sources (uses)	-	-	-	-	-	-	-	26,702,779	-	-
Net change in fund balances	(6,682,335)	(7,053,001)	(1,410,043)	3,011,319	3,960,780	(3,178,754)	(207,334)	18,845,436	(1,183,422)	(9,193,770)
Fund Balances-beginning of year	66,342,970	59,660,635	52,607,634	51,197,591	54,347,847	58,308,627	55,129,873	54,922,539	73,767,975	72,584,553
Prior period adjustment	-	-	-	138,937	-	-	-	-	-	-
Fund Balances, beginning of year	66,342,970	59,660,635	52,607,634	51,336,528	54,347,847	58,308,627	55,129,873	54,922,539	73,767,975	72,584,553
Fund Balances-End of year	$ 59,660,635	$ 52,607,634	$ 51,197,591	$ 54,347,847	$ 58,308,627	$ 55,129,873	$ 54,922,539	$ 73,767,975	$ 72,584,553	$ 63,390,783
Debt service as a percentage of noncapital expenditures	0.56%	0.56%	0.54%	0.94%	0.00%	0.00%	0.00%	1.09%	0.80%	0.75%

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

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

Revenue	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Charges for services:										
Instruction	$ 869,849	$ 773,624	$ 1,337,756	$ 1,484,371	$ 163,938	$ 1,109,742	$ 171,119	$ 187,983	$ 234,324	$ 2,244,781
Supporting services	4,093,405	3,640,586	6,295,320	6,985,278	928,985	5,222,314	1,018,286	1,060,340	1,327,833	5,986,084
Community services	153,502	136,522	236,074	261,948	4,371,692	195,836	4,791,935	4,989,834	6,248,626	83,140
Total charges for services	5,116,756	4,550,732	7,869,150	8,731,597	5,464,615	6,527,892	5,981,340	6,238,157	7,810,783	8,314,005
Operating grants/contributions:										
Instruction	22,209,350	22,722,822	25,841,530	28,067,103	30,717,582	29,975,550	35,991,113	43,047,927	19,198,232	19,595,212
Supporting services	7,076,920	7,234,330	8,495,590	8,800,542	9,386,438	9,685,420	12,135,966	14,254,342	47,043,181	48,430,795
Community services	40,262	118,986	53,755	34,555	42,707	32,617	26,763	15,204	19,016	-
Outgoing transfers and other transactions	10,126,265	10,037,782	10,332,427	10,758,626	11,683,652	14,706,464	13,915,011	13,524,072	13,543,559	13,204,329
Student/school activities	-	-	-	214,928	257,216	235,576	151,313	150,748	128,216	290,471
Total operating grants/contributions	39,452,797	40,113,920	44,723,302	47,875,754	52,087,595	54,635,627	62,220,166	70,992,293	79,932,204	81,520,807
General revenue:										
Property taxes	65,865,460	66,704,757	70,024,330	85,632,879	89,054,988	92,114,046	97,605,976	106,304,563	114,316,755	126,877,429
Unrestricted state aid	1,509,715	1,509,715	1,540,257	1,555,636	1,555,308	1,617,521	1,701,632	1,786,713	1,786,713	1,870,812
Other	114,711	118,635	124,644	60,902	61,796	21,478	96,898	41,461	132,877	-
Unrestricted investment earnings (loss)	32,477	34,355	235,325	320,290	25,740	(1,029,215)	1,762,402	5,434,124	5,050,863	3,942,866
Total general revenue	$ 67,522,363	$ 68,367,462	$ 71,924,556	$ 87,569,707	$ 90,697,832	$ 92,723,830	$ 101,166,908	$ 113,566,861	$ 121,287,208	$ 132,691,107

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

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

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Instruction	$ 19,762,414	$ 20,487,559	$ 21,464,541	$ 21,298,536	$ 20,229,214	$ 20,771,031	$ 22,653,507	$ 23,799,499	$ 24,290,412	$ 23,661,452
Support Services	38,516,520	39,521,792	41,819,549	43,729,367	48,129,997	51,204,855	59,338,143	59,423,721	60,207,047	63,430,665
Community Services	155,700	136,527	223,800	276,231	349,078	520,564	540,256	653,879	891,027	748,623
Interdistrict transactions	-	-	-	12,009,106	12,484,294	12,931,044	13,719,255	14,941,164	16,080,652	17,032,006
Outgoing transfers and other transactions	59,023,272	58,130,084	59,783,444	60,821,592	62,737,969	68,654,427	72,322,493	79,332,562	93,589,356	105,235,484
Capital Outlay	1,068,464	1,212,244	2,406,790	1,866,970	1,157,048	3,855,377	4,752,681	16,477,516	11,302,940	20,964,404
Debt Service	659,625	662,975	663,600	1,300,000	-	-	-	1,933,221	1,568,743	1,569,724
Total	$ 119,185,995	$ 120,151,181	$ 126,361,724	$ 141,301,802	$ 145,087,600	$ 157,937,298	$ 173,326,335	$ 196,561,562	$ 207,930,177	$ 232,642,358

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

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

	Taxable Value by Property Type								Taxable Valuation			Tax Rate (Mills)			
	Real Property						Personal	**Total**	Principal	Non-Principal	**Total**	Principal	Non-Principal	Assessment	
Tax Year	Agricultural	Commercial	Industrial	Residential	Timber-Cutover	Developmental	Property	**Taxable Value**	Residence	Residence	**Taxable Value**	Residence	Residence	Percentage	Market Value
2017	$ 319,703,671	$ 1,246,667,068	$ 756,360,775	$ 7,745,729,660	$ -	$ 182,529	$ 759,224,684	**$ 10,827,868,387**	$ 7,245,374,476	$ 3,582,493,911	**$ 10,827,868,387**	5.4577	5.4577	50%	$ 21,655,736,774
2018	330,749,092	1,345,196,724	546,486,610	8,190,295,833	-	89,220	857,203,095	**11,270,020,574**	7,443,695,946	3,826,324,628	**11,270,020,574**	5.4577	5.4577	50%	22,540,041,148
2019	339,950,348	1,406,108,936	586,463,927	8,697,970,905	-	91,361	849,821,819	**11,880,407,296**	7,918,437,446	3,961,969,850	**11,880,407,296**	6.3414	6.3414	50%	23,760,814,592
2020	348,568,604	1,489,673,377	620,262,150	9,180,634,562	-	93,096	837,183,716	**12,476,415,505**	8,383,177,872	4,093,237,633	**12,476,415,505**	6.2906	6.2906	50%	24,952,831,010
2021	359,018,875	1,559,280,411	644,248,390	9,641,202,576	-	94,399	824,982,650	**13,028,827,301**	8,850,620,363	4,178,206,938	**13,028,827,301**	6.2245	6.2245	50%	26,057,654,602
2022	375,538,688	1,683,224,579	690,574,553	10,371,149,794	-	114,300	857,966,540	**13,978,568,454**	9,514,713,671	4,463,854,783	**13,978,568,454**	6.1546	6.1546	50%	27,957,136,908
2023	392,369,304	1,835,824,798	753,513,077	11,334,740,054	-	-	852,617,018	**15,169,064,251**	10,340,685,001	4,828,379,250	**15,169,064,251**	6.1546	6.1546	50%	30,338,128,502
2024	424,391,229	2,024,947,994	850,042,220	12,409,326,596	-	-	861,055,979	**16,569,764,018**	11,317,284,501	5,252,479,517	**16,569,764,018**	6.0962	6.0962	50%	33,139,528,036
2025	440,082,425	2,174,559,993	905,580,800	13,251,392,182	-	-	898,038,326	**17,669,653,726**	12,085,216,279	5,584,437,447	**17,669,653,726**	6.3164	6.3164	50%	35,339,307,452
2026	455,509,173	2,311,781,403	958,897,745	14,104,545,047	-	-	985,418,951	**18,816,152,319**	12,833,970,222	5,982,182,097	**18,816,152,319**	6.2936	6.2936	50%	37,632,304,638

Source: Ottawa County Equalization & Apportionment Reports
Ottawa County Totals ONLY (not by OAISD school districts)
Michigan Department of Treasury; State Tax Commission; Taxable Valuations https://www.michigan.gov/treasury

Notes: The Michigan Constitution and Statutes provide that property is to be assessed and equalized at 50% of its fair market value.
For taxes levied in 1995, and each year thereafter, the legislature shall provide for the taxable value of each property not to increase by more than the increase in the immediately preceding general price level (CPI), or 5%, whichever is less, until such time as ownership of the property is transferred. When ownership of the parcel is transferred, the parcel shall be assessed at the applicable proportion of the current true cash value.

		Millage Rates - Direct OAISD Taxes						Overlapping Taxes (Municipality & Authority Levies/Millages)										
Tax Year	FY ended June 30	General Education Levy	Special Education Levy	Vocational Education Levy	Enhancement Levy	Debt Levy	State Education Tax (SET)	Ottawa County	Allegan County	Muskegon County	Allendale Township Ottawa Co	Blendon Township Ottawa Co	Chester Township Ottawa Co	Coopersville City Ottawa Co	Crockery Township Ottawa Co	Douglas City/ Village Allegan Co	Ferrysburg City Ottawa Co
2016	2017	0.1055	4.3544	1.0371	0.0000	0.0000	6.0000	5.1483	6.0839	6.8957	2.7422	3.0133	4.3098	13.7228	3.7103	13.0818	9.6849
2017	2018	0.1047	4.3233	1.0297	0.0000	0.0000	6.0000	5.1525	6.0424	6.8957	2.7422	2.9695	4.3094	13.6641	3.7013	13.0818	9.5674
2018	2019	0.1047	4.3233	1.0297	0.0000	0.0000	6.0000	5.1525	6.0708	6.8957	2.7422	2.9313	4.3094	13.2452	3.6833	13.0818	9.4637
2019	2020	0.1213	4.3003	1.0242	0.8956	0.0000	6.0000	5.4449	6.0216	6.8957	2.7422	3.0198	4.4092	13.2424	3.8314	13.0818	9.4752
2020	2021	0.1203	4.2656	1.0160	0.8887	0.0000	6.0000	5.4317	6.2341	6.8947	2.7422	3.0034	4.4003	13.2419	3.7835	13.0818	9.2939
2021	2022	0.1190	4.2206	1.0053	0.8796	0.0000	6.0000	5.4156	6.3161	6.8490	2.7422	2.9605	4.3891	13.2399	3.7481	13.0818	9.1515
2022	2023	0.1176	4.1731	0.9940	0.8699	0.0000	6.0000	5.3984	6.9483	6.7878	2.7422	2.9246	4.3638	13.2392	3.6827	13.0818	10.5943
2023	2024	0.1176	4.1731	0.9940	0.8699	0.0000	6.0000	5.3984	6.9630	6.7878	2.7422	3.0764	4.3906	13.2392	3.6827	13.0818	10.5943
2024	2025	0.1164	4.1336	0.9846	0.8616	0.0000	6.0000	5.3842	6.9902	6.7319	2.7422	3.0568	4.3906	13.2379	5.2718	13.0818	9.8058
2025	2026	0.1151	4.3750	0.9740	0.8523	0.0000	6.0000	5.3685	6.9663	6.6630	2.7422	3.0184	4.6489	13.0000	5.1767	13.0818	9.9911

		Overlapping Taxes (Municipality & Authority Levies/Millages)															
Tax Year	FY ended June 30	Muskegon Area Library District Muskegon	Muskegon Community College Muskegon	NE Ottawa Library District Ottawa Co	Norton Shores City Muskegon Co	Olive Township Ottawa Co	Overisel Township Allegan Co	Park Township Ottawa Co	Polkton Township Ottawa Co	Port Sheldon Township Ottawa Co	Ravenna Township Muskegon	Robinson Township Ottawa Co	Salem Township Allegan Co	Saugatuck City Allegan Co	Saugatuck Township Allegan Co	Spring Lake Library District Ottawa Co	Spring Lake Township Ottawa Co
2016	2017	1.2490	2.5437	0.8181	10.9500	4.9603	7.2934	4.3063	4.2069	1.4488	3.1439	3.4320	6.7729	15.8132	2.6315	2.1948	2.0149
2017	2018	1.2490	2.5437	0.8641	10.9500	4.9603	7.4100	4.5105	4.1921	1.4488	3.1338	3.4247	6.6847	15.7723	2.5903	2.1820	2.0950
2018	2019	1.2490	2.5437	0.8722	10.9500	4.9366	7.4100	3.0171	4.1752	1.4488	3.1246	3.3933	6.5448	15.7194	2.5487	2.1227	2.2730
2019	2020	1.2490	2.5437	0.8600	10.9500	4.4352	7.4100	2.9180	4.1752	1.4488	3.1060	3.3871	6.3961	14.7673	2.5259	2.0855	2.2680
2020	2021	1.2448	2.5434	0.8581	10.9500	4.4754	7.4100	2.7612	4.1996	2.1997	3.1217	3.5254	6.3409	14.6683	2.5095	1.9004	2.2822
2021	2022	1.2363	2.5288	0.8533	10.9500	4.4466	7.4100	2.7508	4.1752	2.1997	3.0914	3.4848	6.9536	14.2502	2.8539	1.4321	2.2769
2022	2023	1.2230	2.5093	0.8083	10.9500	2.4889	7.4100	2.7244	4.1506	2.1997	3.0740	3.4320	6.9536	13.9802	3.1217	1.4735	2.2575
2023	2024	1.2230	2.4393	0.7683	10.9500	2.4889	7.4100	3.3486	4.1506	2.1997	3.0740	3.4320	6.9536	13.9802	3.6884	1.4735	2.2429
2024	2025	1.2143	2.3765	0.7568	10.9500	2.5080	7.4100	3.3392	4.1996	2.2500	3.0920	3.3976	6.9536	13.7298	3.6296	1.4655	2.8061
2025	2026	1.2040	2.3295	0.7468	10.9500	2.9882	7.4100	3.4792	4.1996	2.3500	3.0827	3.3461	6.9482	13.2402	3.5635	1.5089	2.8018

Source: Michigan Department of Treasury; State Tax Commission; Millage Search https://eequal.bsasoftware.com/MillageSearch.aspx

Overlapping Taxes (Municipality & Authority Levies/Millages)

Fillmore Township Allegan Co	Georgetown Township Ottawa Co	Grand Haven City Ottawa Co	Grand Haven City Authority Ottawa Co	Grand Haven Township Ottawa Co	Heath Township Allegan Co	Holland City Allg/Ott Co	Holland City Authority Allg/Ott Co	Holland Pool Authority Allg/Ott Co	Holland Township Ottawa Co	Hudsonville City Ottawa Co	Hudsonville City Authority Ottawa Co	Jamestown Township Ottawa Co	Laketown Township Allegan Co	Loutit Library District Ottawa Co	Manlius Township Allegan Co	Max Trans-portation Authority Allg/Ott Co	Monterey Township Allegan Co
6.2852	2.7500	13.9090	1.7984	4.8651	5.3361	15.1085	1.6034	1.6703	6.1000	11.2303	1.0000	4.3004	4.8078	1.0924	5.9677	0.3969	5.8112
6.7231	2.7500	14.5066	1.7827	4.6117	5.2815	13.8682	1.6034	1.5089	6.3453	11.2303	1.0000	4.3140	3.5506	1.0879	5.9961	0.3964	5.7781
6.7284	2.7500	14.4767	1.7827	4.5861	5.2355	13.8692	1.6034	1.1434	4.8600	11.2303	1.0000	4.2776	3.5420	1.0839	5.9601	0.3921	5.7208
6.7148	2.7500	14.4736	1.7736	4.7192	5.1950	13.8692	1.6034	2.2415	4.8600	11.2303	1.0000	4.4591	3.5068	1.0839	5.8319	0.3894	5.6778
6.7071	2.2500	14.4678	1.7331	4.7038	5.3422	13.8692	1.5886	2.2188	4.8600	11.2303	1.0000	4.4343	3.5503	1.0804	5.8260	0.3838	5.6669
6.9740	2.2500	14.4534	1.6821	5.1061	5.5310	13.8692	1.5907	2.0858	4.8600	11.2303	1.0000	4.3764	3.9724	1.0763	6.3111	0.3791	5.9853
6.9506	2.2500	13.9370	1.6481	5.1322	5.4594	13.8692	1.5907	2.0105	4.8600	11.2303	1.0000	4.3065	3.9756	1.0673	6.2693	0.3953	5.8954
6.9506	2.2500	14.5091	1.6368	6.0322	5.4594	13.8692	1.5907	1.9705	4.8600	11.2303	1.0000	4.3454	3.9756	1.0673	5.9473	0.3953	5.8954
6.7744	2.2500	14.4620	1.6043	5.9035	5.4254	15.0492	1.5907	1.8172	4.8600	11.2303	1.0000	4.3079	3.9638	1.0550	6.1820	0.3912	5.8634
6.7096	2.2500	14.4844	1.5778	5.7519	5.5060	14.8192	1.5868	1.8018	4.8600	11.2303	1.0000	4.2826	4.0000	1.2049	6.2870	0.3854	5.9892

Overlapping Taxes (Municipality & Authority Levies/Millages)

Spring Lake Village Ottawa Co	Sullivan Township Muskegon	Tallmadge Township Ottawa Co	Special Assessment Saugatuck Allegan Co	Special Assessment Village of Douglas Allegan Co	Voted Library/ Pool/Fire/ Transit Allegan Co	Wright Township Ottawa Co	Zeeland City Ottawa Co	Zeeland Township Ottawa Co
12.3749	2.9891	2.2022	1.7000	1.7000	0.9171	2.7535	11.2354	6.7311
12.4550	2.9597	2.2025	2.0000	2.0000	0.9139	2.7353	11.2354	6.7238
10.3600	2.9288	2.7477	2.0000	2.0000	1.1434	3.2274	11.2354	7.2794
10.3600	2.9152	2.7175	2.2000	2.0000	2.2415	3.2640	11.2354	6.7183
10.3600	2.8693	2.7899	2.2000	2.2000	2.2188	3.2577	10.2354	6.1901
10.3600	2.8307	2.7650	2.2000	2.2000	2.0858	2.9783	10.2347	6.6528
10.3600	2.8001	2.7978	2.2000	2.2000	2.0105	3.2087	9.7700	5.6956
10.3600	2.8001	2.7978	2.5000	2.5000	1.9705	3.0896	11.2347	5.6956
10.3600	2.7782	2.7856	2.5000	2.5000	1.8172	3.1117	11.2347	5.6772
10.3600	2.7678	2.7674	2.9000	2.9000	1.8018	2.9925	11.2347	5.7195

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

Year Ended June 30	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Tax Levy	$ 65,865,460	$ 67,155,010	$ 70,018,542	$ 85,648,265	$ 89,123,222	$ 91,946,971	$ 97,654,330	$ 106,116,745	$ 114,771,981	$ 126,579,763
Current Tax Collections	65,445,869	66,685,043	70,009,435	85,623,846	89,034,781	92,092,449	97,637,993	106,182,397	114,234,594	126,524,190
Percentages of Collections	99.36%	99.30%	99.99%	99.97%	99.90%	100.16%	99.98%	100.06%	99.53%	99.96%
Total Delinquent Property Taxes-Current Year	419,591	469,967	9,107	24,419	88,441	(145,478)	16,337	(65,652)	537,387	55,573
Collections in subsequent years	13,388	31,595	16,334	11,277	(13,828)	(65,537)	114,215	188,422	217,383	-
Total Collection to date										
Amount Collected	65,459,257	66,716,638	70,025,769	85,635,123	89,020,953	92,026,913	97,752,208	106,370,819	114,451,977	126,524,190
Percentage of Tax Levy	99.38%	99.35%	100.01%	99.98%	99.89%	100.09%	100.10%	100.24%	99.72%	99.96%

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

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

Year Ended June 30,	Original Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2017	$ 65,865,460	$ 65,445,869	99.36%	$ 13,388	$ 65,459,257	99.38%
2018	67,155,010	66,685,043	99.30%	31,595	66,716,638	99.35%
2019	70,018,542	70,009,435	99.99%	16,334	70,025,769	100.01%
2020	85,648,265	85,623,846	99.97%	11,277	85,635,123	99.98%
2021	89,123,222	89,034,781	99.90%	(13,828)	89,020,953	99.89%
2022	91,946,971	92,092,449	100.16%	(65,537)	92,026,913	100.09%
2023	97,654,330	97,637,993	99.98%	114,215	97,752,208	100.10%
2024	106,116,745	106,182,397	100.06%	188,422	106,370,819	100.24%
2025	114,771,981	114,234,594	99.53%	217,383	114,451,977	99.72%
2026	126,579,763	126,524,190	99.96%	-	126,524,190	99.96%

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

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

Tax Payer	Type of Business	2025 Taxable Value	2025 Rank	% of Total Taxable Value	2016 Taxable Value	2016 Rank	% of Total Taxable Value
Consumers Energy	Utility	$ 430,434,247	1	2.44%	$ 609,826,413	1	5.84%
Michigan Electric Transmission	Utility	62,422,633	2	0.35%	34,003,200	5	0.33%
Gentex	Automotive Components	46,708,202	3	0.26%	80,784,457	2	0.77%
Shape Corp	Metal Extension	43,429,681	4	0.25%	48,477,536	3	
ARC Holland Real Estate Holdings	Real Estate Holdings	39,015,949	5	0.22%	33,148,364	6	0.32%
DTE Gas	Utility	38,971,530	6	0.22%	21,727,325	7	0.21%
BrightMark Castor Rng LLC	Utility	29,451,874	7	0.17%			
Herman Miller Inc.	Office Furniture	23,591,998	8	0.13%	19,072,020	9	0.18%
Leprino Foods Inc	Cheese Production	19,638,929	9	0.11%			0.00%
Semco Energy, Inc	Housing	19,336,375	10	0.11%	20,255,548	8	
Mead Johnson & Company	Food Products				34,946,514	4	0.33%
Request Foods Inc	Food Products				18,003,867	10	
Total		**$ 753,001,418**		**4.26%**	**$ 920,245,244**		**8.82%**
Total Taxable Value (Ottawa County):		**$ 17,669,653,726**			**$ 10,438,660,200**		

Source: Ottawa County 2025 Comprehensive Annual Financial Report https://miottawa.org/fiscal-services/audits/

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

Year Ended June 30,	LEA Membership	ISD Membership	Sec 81 Intermediate School Districts Funding
2017	49,594	465	$ 1,509,715
2018	49,982	441	1,509,715
2019	50,092	434	1,539,909
2020	50,229	431	1,555,308
2021	49,892	422	1,555,308
2022	48,272	357	1,617,521
2023	48,100	332	1,701,632
2024	47,849	320	1,786,713
2025	47,516	294	1,786,713
2026	46,747	298	1,870,812

Sources: Michigan Department of Education State Aid Status Reports

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

Year Ended June 30	Estimated Population [2,3,4]	Assessed Valuation [1]	General Obligation Bonds	Bond Premium	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net General Bonded Debt per Capita
2017	288,059	$ 13,388,939,597	$ 2,415,000	$ 68,365	$ 2,483,365	0.02%	$ 9
2018	291,406	13,885,494,938	1,840,000	54,693	1,894,693	0.01%	7
2019	293,510	14,948,197,397	1,250,000	41,021	1,291,021	0.01%	4
2020	296,200	16,162,084,024	-	-	-	0.00%	-
2021	298,394	17,218,334,509	-	-	-	0.00%	-
2022	300,910	18,568,462,753	-	-	-	0.00%	-
2023	303,575	20,914,314,408	-	-	-	0.00%	-
2024	306,235	23,924,059,045	23,755,000	2,201,853	25,956,853	0.11%	85
2025	308,459	26,218,257,060	23,375,000	2,125,927	25,500,927	0.10%	83
2026	310,699	28,037,910,682	22,975,000	2,050,001	25,025,001	0.09%	81

Source: Ottawa Area Intermediate School District Audit Reports

[1] 2026 Ottawa County Equalization Department-Annual Equalization Report

[2] 2025 Ottawa County Audit Financial Statements

[3] 2025 Estimated Population is from Census.Gov

[4] 2026 Estimated Population is calculated from prior year estimates

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

Year Ended June 30	General Obligation Bonds	Bond Premium	Net General Bonded Debt	Taxable Value [1]	Percentage of Taxable Value	Estimated Population [2]	Net General Bonded Debt per Capita	Personal Income [2] (in thousands)	Percentage of Personal Income
2017	$ 2,415,000	$ 68,365	$ 2,483,365	$ 10,827,868,387	0.02%	288,059	$ 9	$ 12,707,256	0.02%
2018	1,840,000	54,693	1,894,693	11,270,020,574	0.02%	291,406	7	13,380,957	0.01%
2019	1,250,000	41,021	1,291,021	11,880,407,296	0.01%	293,510	4	13,938,739	0.01%
2020	-	-	-	12,476,415,505	0.00%	296,200	-	14,430,383	0.00%
2021	-	-	-	13,028,827,301	0.00%	298,394	-	15,919,677	0.00%
2022	-	-	-	13,978,568,454	0.00%	300,910	-	17,824,138	0.00%
2023	-	-	-	15,169,064,251	0.00%	303,575	-	18,168,498	0.00%
2024	23,755,000	2,201,853	25,956,853	16,569,764,018	0.16%	306,235	85	19,379,649	0.13%
2025	23,375,000	2,125,927	25,500,927	17,669,653,726	0.14%	308,459	83	n/a	n/a
2026	22,975,000	2,050,001	25,025,001	18,816,152,319	0.13%	310,699	81	n/a	n/a

Source: Ottawa Area Intermediate School District Audit Reports

[1] 2026 Ottawa County Equalization Department-Annual Equalization Report

[2] 2025 Ottawa County Audit Financial Statements

[3] 2025 Estimated Population is from Census.Gov

[4] 2026 Estimated Population is calculated from prior year estimates

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Schedule of Direct and Overlapping Debt
June 30, 2026

Direct Debt		
2023 School Building and Site Bonds	$	22,975,000
Overlapping Debt		
Municipality	(1)	District's Share
Cities	$	120,165,847
Townships		130,645,587
Village		10,683,621
School Districts		1,090,723,106
Counties		49,517,564
Community Colleges		681,777
Libraries		4,355,818
Authority		17,290,000
Net Overlapping Debt		1,424,063,320
Total Direct and Net Overlapping Debt	$	1,447,038,320
Ratios:		
2026 State Equalized Valuation (SEV)	$	28,037,910,682
2026 Taxable Value		18,816,152,319
2026 True Cash Value (TCV)		37,632,304,638
2026 Population Estimate		310,699
Net Direct Debt		22,975,000
Net Direct and Overlapping Debt		1,447,038,320
Per Capita 2026 Taxable Value		60,561
Per Capita 2026 State Equalized Valuation		90,241
Per Capita 2026 True Cash Value		121,121
Per Capita Direct Debt		74
Per Capita Direct and Overlapping Debt		4,657
Percent Net Direct Debt of 2026 Taxable Value		0.12%
Percent Net Direct and Overlapping Debt of 2026 Taxable Value		7.69%
Percent Net Direct Debt of 2026 State Equalized Valuation		0.08%
Percent Net Direct and Overlapping Debt of 2026 State Equalized Valuation		5.16%
Percent Net Direct Debt of 2026 True Cash Value		0.06%
Percent Net Direct and Overlapping Debt of 2026 True Cash Value		3.85%

Source: Michigan Municipal Advisory Council 2026, 2026 Ottawa County Equalization Report
Note: Calculation as of 6/30/2026
(1) Overlapping debt is determined by applying the percentage of the district's taxable value to the jurisdiction's entire taxable value times the jurisdiction's total tax supported debt.

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

Year Ended June 30,	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
State Equalized Valuation (SEV)[1]	$ 14,269,023,315	$ 15,323,435,668	$ 15,844,583,513	$ 17,065,294,342	$ 18,406,848,315	$ 19,686,470,699	$ 21,165,315,434	$ 23,828,763,208	$ 27,278,199,940	$ 29,855,527,662
Limited Tax Debt Limit - 1/9 of 1% of SEV[2]	15,854,470	17,026,040	17,605,093	18,961,438	20,452,054	21,873,856	23,517,017	26,476,404	30,309,111	33,172,809
Limited Tax Bonds Outstanding	2,415,000	1,840,000	1,250,000	-	-	-	-	23,755,000	23,375,000	22,975,000
Limited Tax Debt Margin Available	$ 13,439,470	$ 15,186,040	$ 16,355,093	$ 18,961,438	$ 20,452,054	$ 21,873,856	$ 23,517,017	$ 2,721,404	$ 6,934,111	$ 10,197,809
Net debt subject to limit as % of debt limit	15.23%	10.81%	7.10%	0.00%	0.00%	0.00%	0.00%	89.72%	77.12%	69.26%

Sources:
[1] Ottawa, Allegan, and Muskegon County Equalization Departments
Ottawa Area Intermediate School District Audit Reports

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

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

Year Ended June 30	Principal	Interest and Paying Agent Fees	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service to Total Expenditures
2017	$ 555,000	$ 104,625	$ 659,625	$ 119,185,995	0.55%
2018	575,000	87,975	662,975	120,151,181	0.55%
2019	590,000	73,600	663,600	126,361,724	0.53%
2020	1,250,000	50,000	1,300,000	141,301,802	0.92%
2021	-	-	-	145,087,843	0.00%
2022	-	-	-	157,937,298	0.00%
2023	-	-	-	173,326,335	0.00%
2024	670,000	1,263,221	1,933,221	196,561,562	0.98%
2025	380,000	1,188,743	1,568,743	207,930,177	0.75%
2026	400,000	1,169,724	1,569,724	232,642,358	0.67%

Source: Ottawa Area Intermediate School District Audit Reports

Notes: General obligation bonds were issued during fiscal year 2001.
General Obligation bonds were issued during fiscal year 2024.
Excludes transfers out.

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

Calendar Year	Estimated Population[1]	K-12 Enrollment[2]	Personal Income[1] (in thousands)	Per Capita Income[1]	Unemployment Rate[1]
2017	288,059	49,594	$13,380,957	$ 46,452	3.3%
2018	291,406	49,982	13,938,739	47,833	2.9%
2019	293,510	50,092	14,430,383	49,165	2.9%
2020	296,200	50,229	15,919,677	53,746	7.2%
2021	298,394	49,892	17,824,138	59,734	4.1%
2022	300,910	48,272	18,168,498	60,379	3.3%
2023	303,575	48,100	19,379,649	63,838	3.2%
2024	306,235	47,849	20,419,059	66,678	3.8%
2025	308,459	47,516	n/a	n/a	n/a
2026	310,699	46,747	n/a	n/a	n/a

Sources:
[1] Ottawa County 2025 Audited Financial Statements https://miottawa.org/fiscal-ser
[2]August State Aid Status Report for each of the fiscal years beginning in listed calendar year

Note: 2026 population estimated based on prior year increase.

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT

Ottawa County Principal Employers
For the current fiscal year and nine years ago

		2025		2016	
Employer	Type of Business	Rank (1)	Percentage of Total County Employment	Rank (1)	Percentage of Total County Employment
Gentex Corporation	Nonmetallic Mineral Product Manufacturing	1	4.11%	1	3.56%
Grand Valley State University (2)	Educational Services	2	2.71%	3	2.45%
MillerKnoll	Furniture and Related Product Manufacturing	3	2.13%	2	2.68%
Holland Hospital	Hospitals	4	1.63%	5	1.48%
Shape Corporation	Fabricated Metal Product Manufacturing	5	1.41%	4	1.85%
Meijer	Food and Beverage Stores	6	1.16%	9	0.98%
Tyson Foods	Food Manufacturing	7	1.09%		
Ottawa County	Local Government	8	0.80%		
Request Foods, Inc	Food Manufacturing	9	0.76%		
Haworth, Inc	Office Furniture	10	0.71%	6	1.45%
Magna Mirrors (1)	Automotive Mirrors			7	1.31%
YanFeng	Automotive Interiors			8	1.14%
Grand Haven Public Schools	Education			10	0.88%
			16.5%		17.8%

Source: Ottawa County 2025 Audited Financial Statements.
https://miottawa.org/fiscal-services/audits/

(1) 2016 data includes totals of facilities located within Ottawa County and/or the City of Holland portion of Allegan County, reporting was updated in 2020 to only include the Ottawa County portions of these facilities.

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

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

Function/ program	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General government:										
Instructional Services	246	249	256	260	235	236	231	238	227	227
Supporting Services	259	263	260	262	303	334	351	347	325	348
Community Services	2	1	2	2	4	5	5	7	7	5
Total	507	513	518	524	542	575	587	592	559	580

Sources:

Ottawa Area Intermediate School District payroll records

OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT
Operating Indicators
Last Ten Fiscal Years

Year Ended June 30	Enrollment[1]	Operating Expenditures[2]	Cost per Pupil	Operating Revenues	Revenue per Pupil	Total Teaching Staff[3]	Average Teacher Salary[4]
2017	49,594	$ 117,457,906	$ 2,368	$ 112,503,660	$ 2,268	246	$ 59,303
2018	49,982	118,275,962	2,366	113,098,180	2,263	249	60,192
2019	50,092	123,291,334	2,461	124,951,681	2,494	256	61,095
2020	50,229	138,134,832	2,750	144,313,121	2,873	260	66,492
2021	49,892	143,930,552	2,885	149,048,623	2,987	235	66,546
2022	48,272	154,081,921	3,192	154,758,544	3,206	236	66,717
2023	48,100	168,573,654	3,505	173,119,001	3,599	231	70,333
2024	47,849	178,150,825	3,723	188,704,219	3,944	238	72,640
2025	47,516	195,058,494	4,105	206,746,755	4,351	227	73,931
2026	46,747	210,108,230	4,495	223,448,588	4,780	227	74,533

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

[1]Enrollment is final State Aid Status Report Blended Count

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

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

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

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

	As of June 30,									
Building	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Careerline Tech Center West (1976, addition in 2026)										
Acreage	33.14	33.14	33.14	33.14	33.14	33.14	33.14	33.14	33.14	33.14
Square feet	167,346	167,346	167,346	167,346	167,346	167,346	167,346	167,346	167,346	170,370
Enrollment	1,449	1,485	1,498	1,438	1,464	1,509	1,562	1,637	1,628	1,247
Careerline Tech Center East/MTEC (1979, updated in 2026)										
Acreage	29.18	29.18	29.18	29.18	29.18	29.18	29.18	29.18	29.18	29.18
Square feet	39,681	39,681	39,681	39,681	39,681	39,681	39,681	39,681	39,681	42,186
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	386
Ottawa Area Center (1972)										
Acreage	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Square feet	71,003	71,003	71,003	71,003	71,003	71,003	71,003	71,003	71,003	71,003
Enrollment	245	205	198	195	159	152	143	127	113	112
Sheldon Pines School (1983)										
Acreage	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77
Square feet	12,008	12,008	12,008	12,008	12,008	12,008	12,008	12,008	12,008	12,008
Enrollment	20	22	27	28	20	21	21	26	24	25
Learning and Leading Commons (2000, former MTEC under construction 2025)										
Acreage	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50
Square feet	34,883	34,883	34,883	34,883	34,883	34,883	34,883	34,883	34,883	34,883
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Roerink-Knoll Education Center (2016)										
Acreage	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96
Square feet	14,846	14,846	14,846	14,846	14,846	14,846	14,846	14,846	14,846	14,846
Enrollment	23	34	60	59	60	59	62	55	NA	NA
Ottawa Area ISD/Elliot Ave Bldg (2016)										
Acreage	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Square feet	9,044	9,044	9,044	9,044	9,044	9,044	9,044	9,044	9,044	9,044
Enrollment	42	40	40	40	45	50	44	57	51	44
Ottawa Area ISD/Felch St Bldg (2021, updated 2024)										
Acreage						4.17	4.17	4.17	4.17	4.17
Square feet						27,841	27,841	29,271	29,271	29,271
Enrollment						NA	NA	NA	99	101
Ottawa Area ISD/Georgetown (2025)										
Acreage									2.65	2.65
Square feet									12,990	12,990
Enrollment									NA	75

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

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

Maner Costerisan

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Ottawa Area Intermediate School District's basic financial statements, and have issued our report thereon dated June 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

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Lansing, Michigan
October 26, 2026

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To the Board of Education
Ottawa Area Intermediate School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ottawa Area Intermediate School District for the year ended June 30, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information orally during our discussion on May 6, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Ottawa Area Intermediate School District are described in Note 1 to the financial statements. As described in Note 14 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statements No. 103, *Financial Reporting Model Improvements* and No. 104, *Disclosure of Certain Capital Assets* during the year ended June 30, 2026. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by Ottawa Area Intermediate School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No misstatements were detected as a result of audit procedures.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 26, 2026.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Ottawa Area Intermediate School District's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

Other Matters

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

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

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

Restriction on Use

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

Very truly yours,

Maner Costerisan PC

Lansing, Michigan