Board of Education Tom Buffett President, 2025-2026	**Okemos Public Schools** board@okemosk12.net http://okemosk12.net	4406 Okemos Road Okemos, Michigan 48864 Phone: 517-706-5010

This agenda is for general informational purposes only. Based on board policy, the board of education may revise this agenda and may take up other issues at the meeting.

7:00 PM **MEETING AGENDA** **Community Conference Rm**
Monday, October 26, 2026

CALL TO ORDER

Tom Buffett, Jason Burns, Katie Cavanaugh, Shulawn Doxie, Andrew Phelps, Leeni Shrestha and Jillian Winn

WELCOME AND MEETING FORMAT *(2 Min)*

Welcome to this regular meeting of the Okemos Board of Education held in public for the purpose of conducting the business of the school board.

Welcome to this regular meeting of the Okemos Board of Education held in public for the purpose of conducting the business of the school board.

There are two opportunities for public comment: citizens who wish to address agenda or non-agenda items will have an opportunity at the beginning of the meeting, as well as near the end of the meeting. Individuals who wish to address the board must complete a blue form, located with the agendas near the room entrance, and present it to the board's secretary prior to the start of the agenda item.

At the appropriate point in the agenda, the board president will call upon individuals who have submitted a blue card to move to the podium for their time to give comment.

MISSION MINUTE/AROUND THE PACK *(5 Min)*

An opportunity for individual board members to highlight events, activities, and other items of interest.

PRESENTATION - ASSESSMENT DATA (30 *mins*)

Assistant Superintendent Stacy Bailey, will provide an overview of district benchmark assessment results, along with key initiatives that will be utilized to address students' needs during the 2026-2027 school year.

CITIZENS ADDRESS AGENDA AND NON-AGENDA ITEMS

At this time in the meeting, citizens have an opportunity to address the board regarding items of interest that that may or may not be part of the evening's agenda. Citizens are required to limit comments to three minutes, except when this requirement is waived by the board president during the meeting. A designated timekeeper will communicate to the individual who is addressing the board at three minutes. The board highly values public comment and input; however, the board meeting format is designed to facilitate the evening's agenda and, therefore, restricts board members from engaging in conversation with speakers or immediately responding to questions. Questions and concerns may be addressed by the board later in the agenda and may be assigned for follow-up by the board or superintendent at a later date.

HIGH SCHOOL STUDENT REPORTS/REQUESTS *(5 Min)*

The high school student representative will highlight events and issues of interest and take questions from the board.

SUPERINTENDENT REPORT *(10 Min)*

The superintendent will highlight events and issues of interest and take questions from the board.

BOARD REPORTS/REQUESTS *(10 Min)*

The board will acknowledge receipt of correspondence.
Individual board members may request follow-up on other matters of concern.
Board sub-committees may present their reports or deliver updates.

ACTION ITEMS

Within Action Items, there is a Consent Agenda to expedite the business of the board which groups a number of items together to be dealt with by one action of the board. However, items in the consent agenda may be extracted by individual board members' request for further discussion or clarification.

CONSENT AGENDA *(5 Min)*

In an effort to expedite the business of the board of education, but in no way meant to diminish the importance of each item, a Consent Agenda has been developed.

That the board approve items 1 through 3 for immediate implementation and appropriate action. Item 1: Approval of the Minutes of the Regular Meeting on October 12, 2026; Item 2: Acknowledge receipt of the September financial statement and approve payment of bills through September; Item 3: Approve the following personnel appointments and position changes, including new hires, internal appointments, and an interim administrative assignment.

OTHER ACTION ITEMS

The Other Action Items require additional discussion prior to board action.

AUDIT REPORT

Each year, the board of education employs an auditing firm to audit the district's financial records. Mr. Steve Piesko of Maner & Costerisan P.C. presented the 2025-2026 audit report to the board during its meeting on October 12, 2026.

That the board accept the audit report of Maner & Costerisan P.C. for the 2025-2026 school year.

STUDENT DISCIPLINE RECOMMENDATION

That the board accept the administrative recommendation to permanently expel Student A.

COMMENTS FROM THE PUBLIC

At this time in the meeting, citizens have an opportunity to address the board regarding any item(s) of interest. Individual comments at this time will be limited to three minutes but may be extended at the discretion of the board president. A designated timekeeper will communicate to the individual who is addressing the board within three minutes. The board highly values public comment; however, our meeting format does not allow the board to engage in conversation with speakers. Questions or concerns may be assigned for follow-up by the board or the administration at a later date.

OTHER MATTERS *(5 Min)*

WORK SESSION: PORTRAIT OF A LEARNER (60 mins)

Laura Hildreth will present Portrait of a Learner, along with Superintendent Olson and Assistant Superintendent Stacy Bailey presenting on our "Why as a District".

ADJOURN

CALL FOR SCHOOL BOARD MEETING

TO: Members of the Board of Education of the Okemos Public Schools, Okemos, Michigan:

Tom Buffett, Jason Burns, Katie Cavanaugh, Shulawn Doxie, Andrew Phelps, Leeni Shrestha and Jillian Winn

Please take notice that a Special Meeting of the Board of Education of the School District will be held on:

DATE: October 26, 2026

TIME: 7:00 PM Regular Meeting

PLACE: Community Conference Room ~ Admin Building

Tom Buffett

_____

Tom Buffett, *President*

(Must be signed by the President of the Board OR by any two board members.)

Okemos Public Schools
District Data Review

Stacy Bailey
Assistant Superintendent for Curriculum and Instruction

October 2026

OKEMOS PUBLIC SCHOOLS

Fall

- MAP Reading Fluency (K, 1)
- MAP Growth Reading (2-10)
- MAP Growth Math (K-10)

- Spring State Data
- District Benchmark Data

Winter

- MAP Reading Fluency (K, 1)
- MAP Growth Reading (K-10)
- MAP Growth Math (K-10)

- Benchmark Data

Spring

- MAP Reading Fluency (K, 1)
- MAP Growth Reading (K-10)
- MAP Growth Math (K-10)
- State Assessments (3-11)

- Benchmark Data

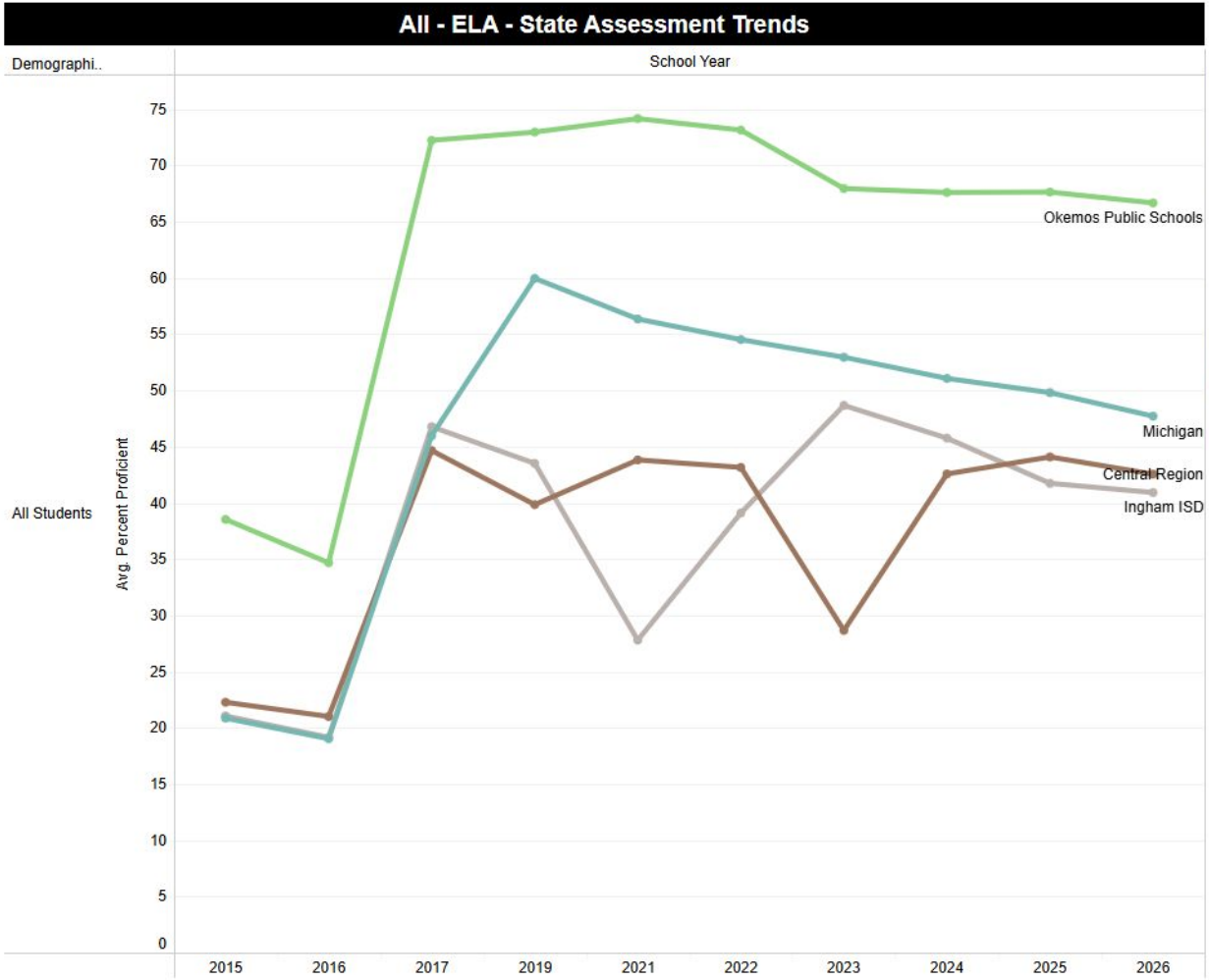
OKEMOS PUBLIC SCHOOLS

Achievement

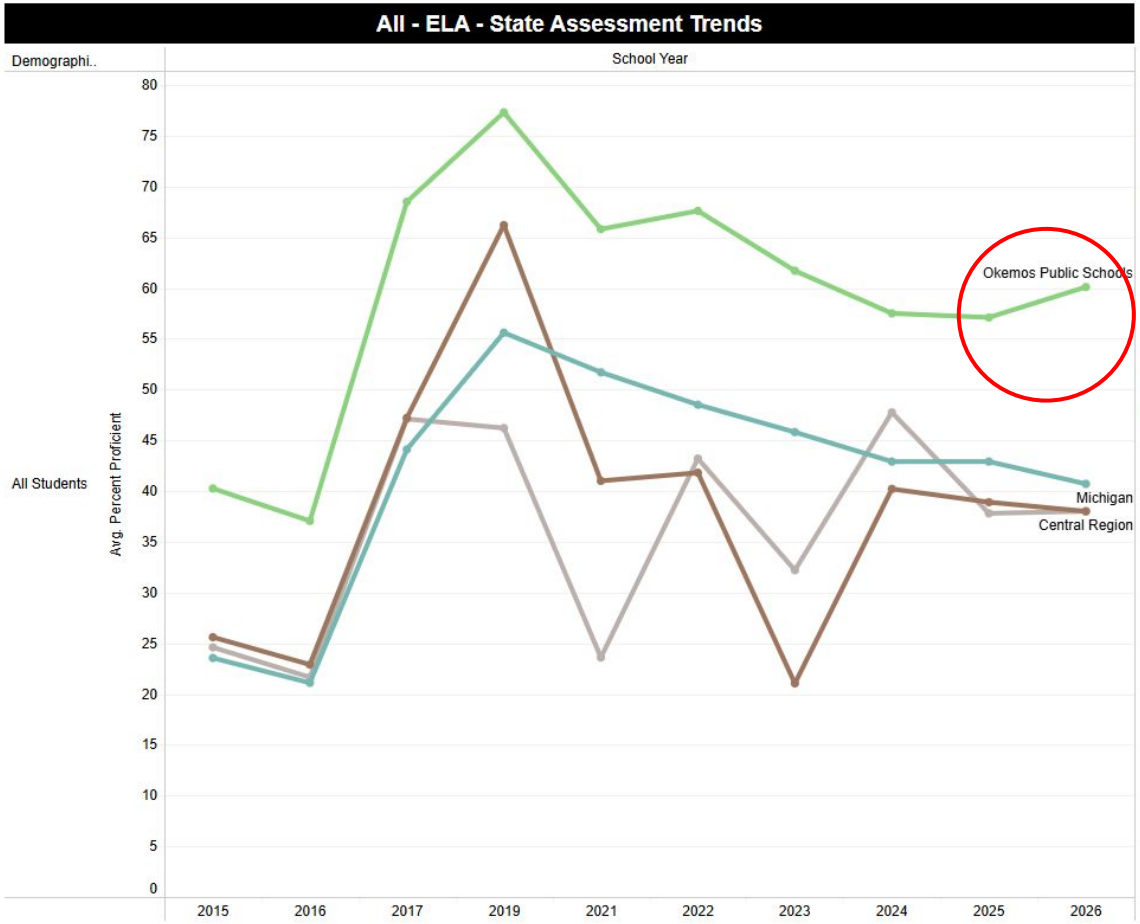
State Assessment Data

M-STEP, Mi-ACCESS, PSAT 8/9- 8th, PSAT 8/9- 9th, PSAT 10, SAT

- Level of knowledge & skills a student has acquired *at a specific point in time*
- Often measured through exams, assessments, other measures
- What a student knows and can do at a given moment



All Students



Assessment: (All)

Demographic Group: All Students

Subject Tested: ELA

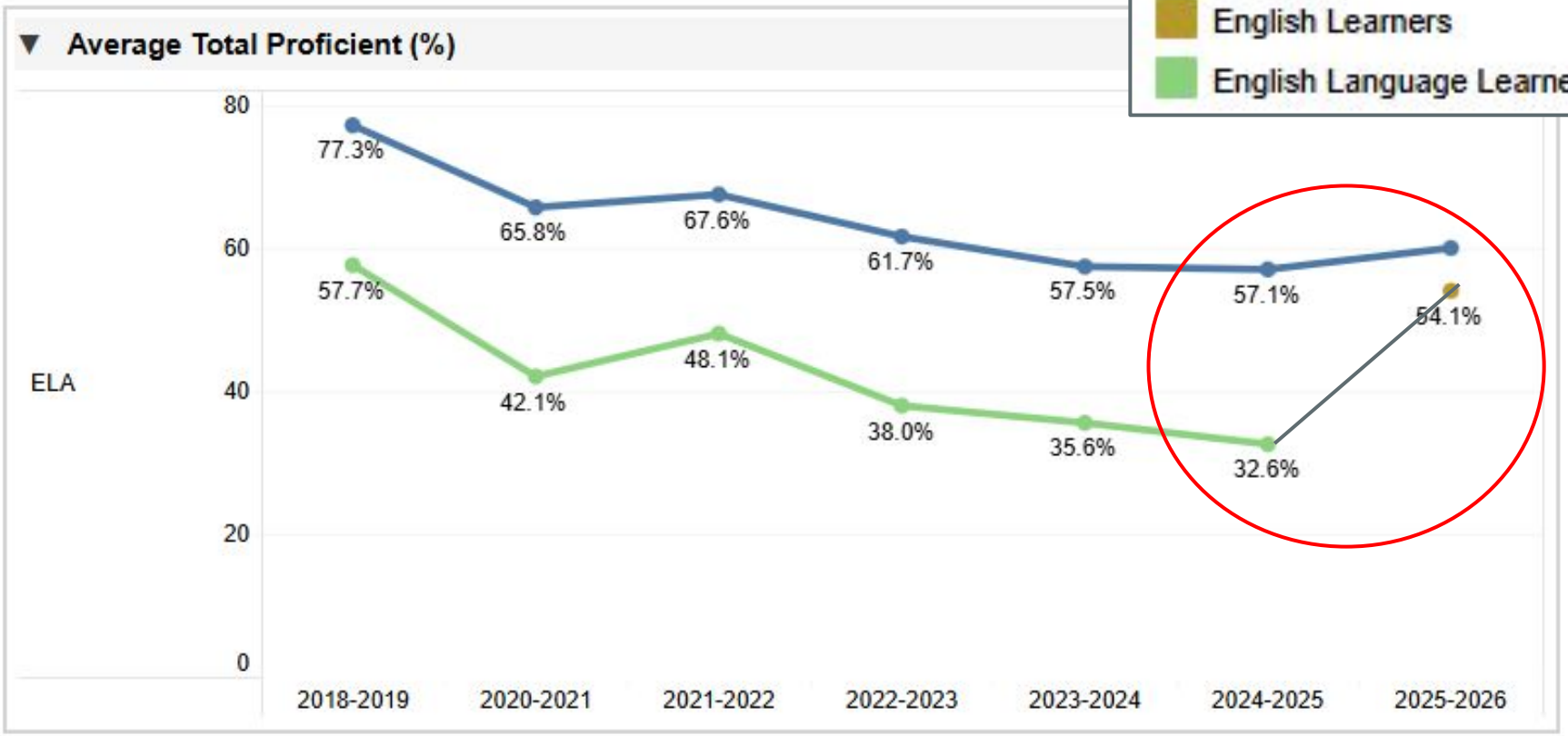
Grade: 03

School Year: (All)

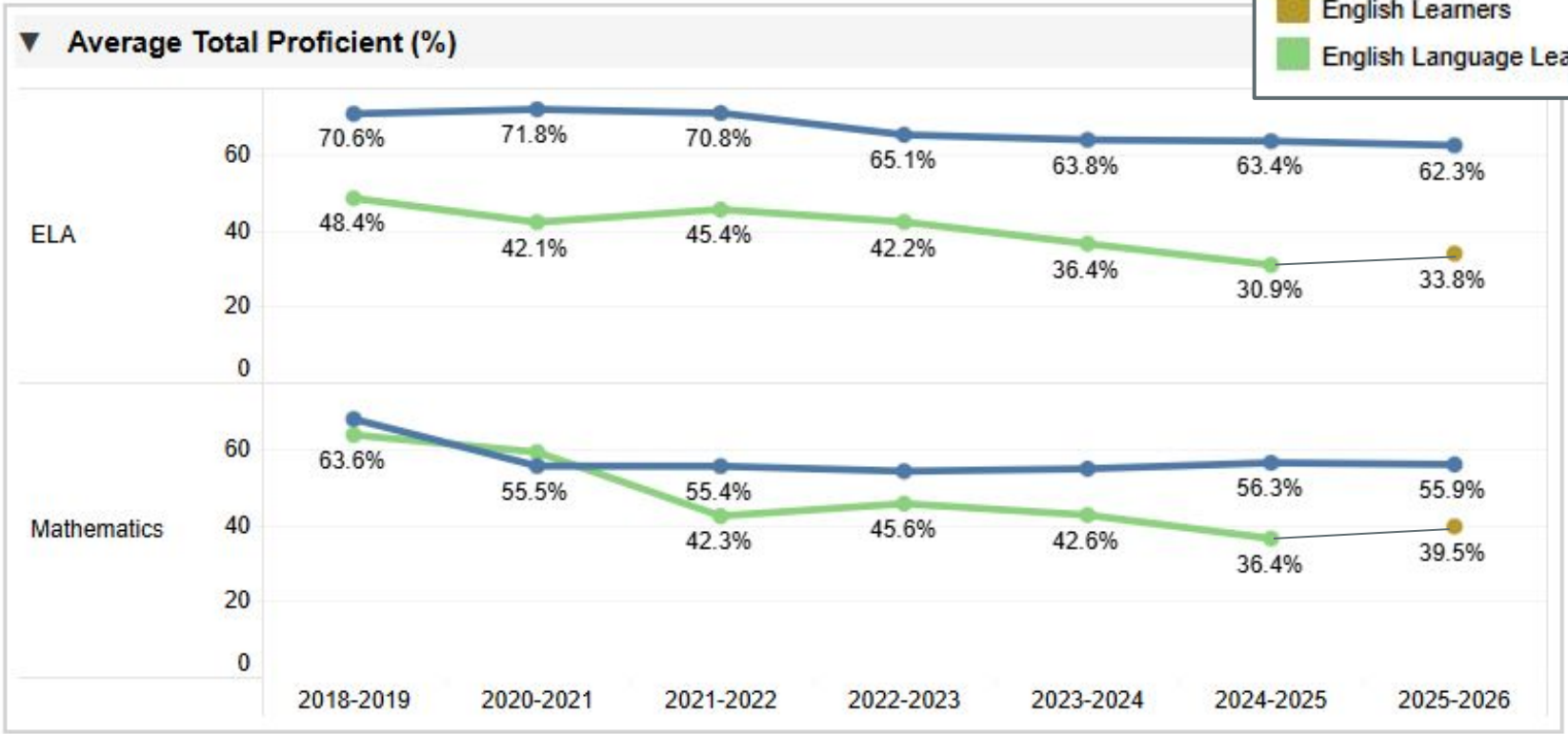
Entity
- Michigan
- Central Region
- Ingham ISD
- Okemos Public Schools

3rd Grade

OKEMOS PUBLIC SCHOOLS


Demographic Group
All Students
English Learners
English Language Learners
Average Total Proficient (%)
ELA
80
60
40
20
0
77.3%
65.8%
67.6%
61.7%
57.5%
57.1%
57.7%
42.1%
48.1%
38.0%
35.6%
32.6%
54.1%
2018-2019
2020-2021
2021-2022
2022-2023
2023-2024
2024-2025
2025-2026

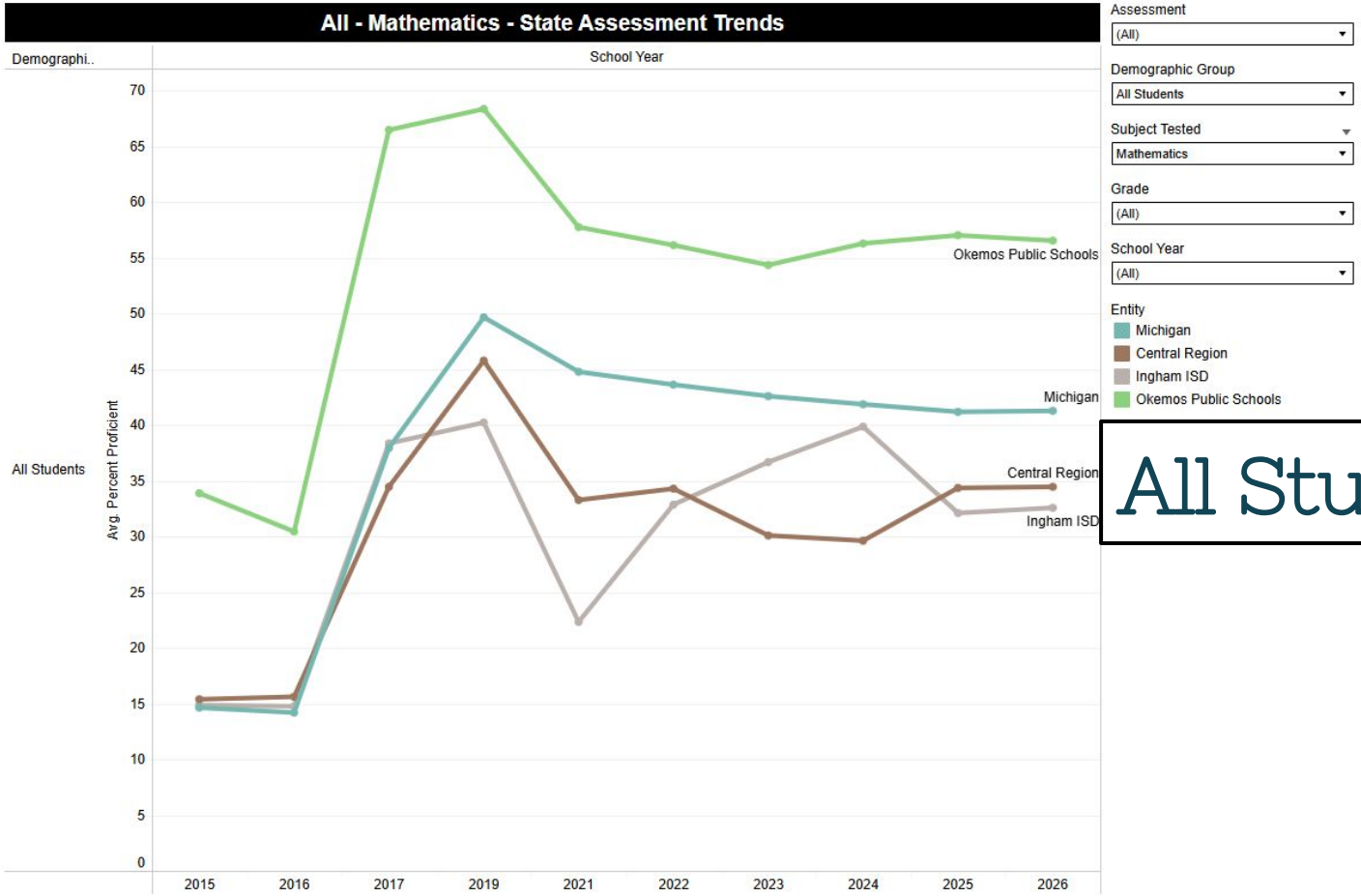
M-STEP Performance Level (Multilingual Learners, formerly EL)



Literacy & ML Initiatives

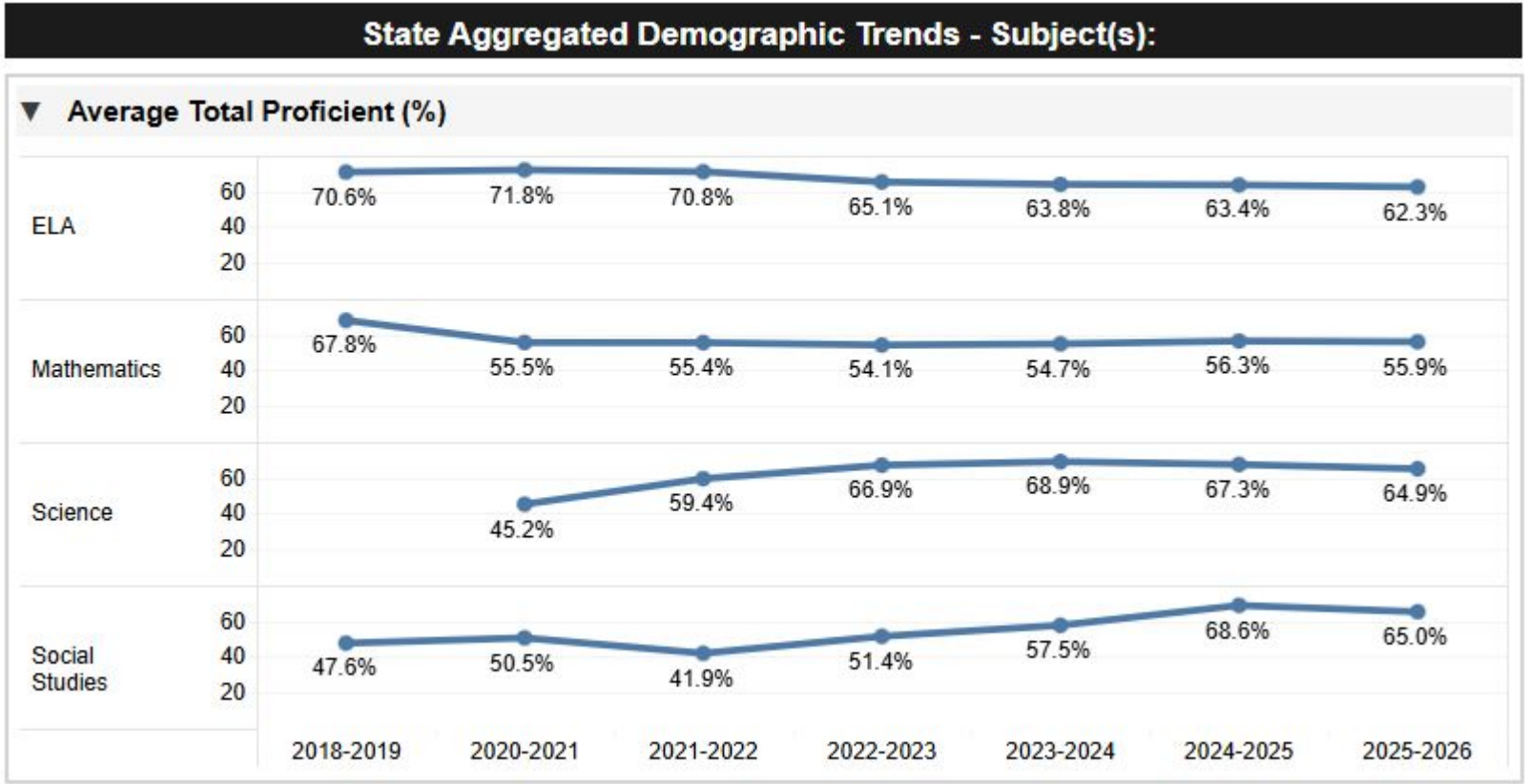


- Literacy PD, optional LETRS K-5
- Science of Reading
- SIOP Training ~100 educators
- Universal Accommodations

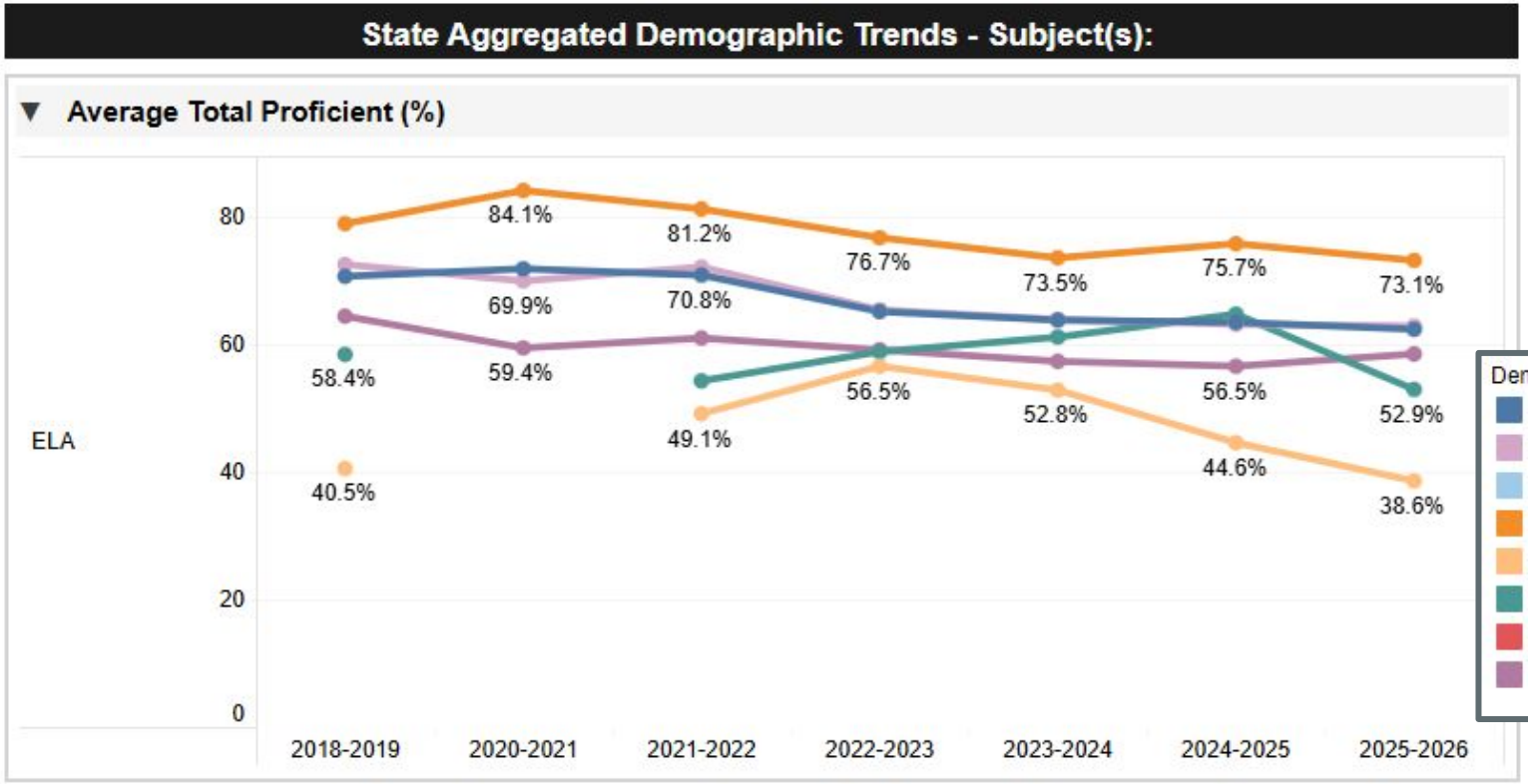


All Students

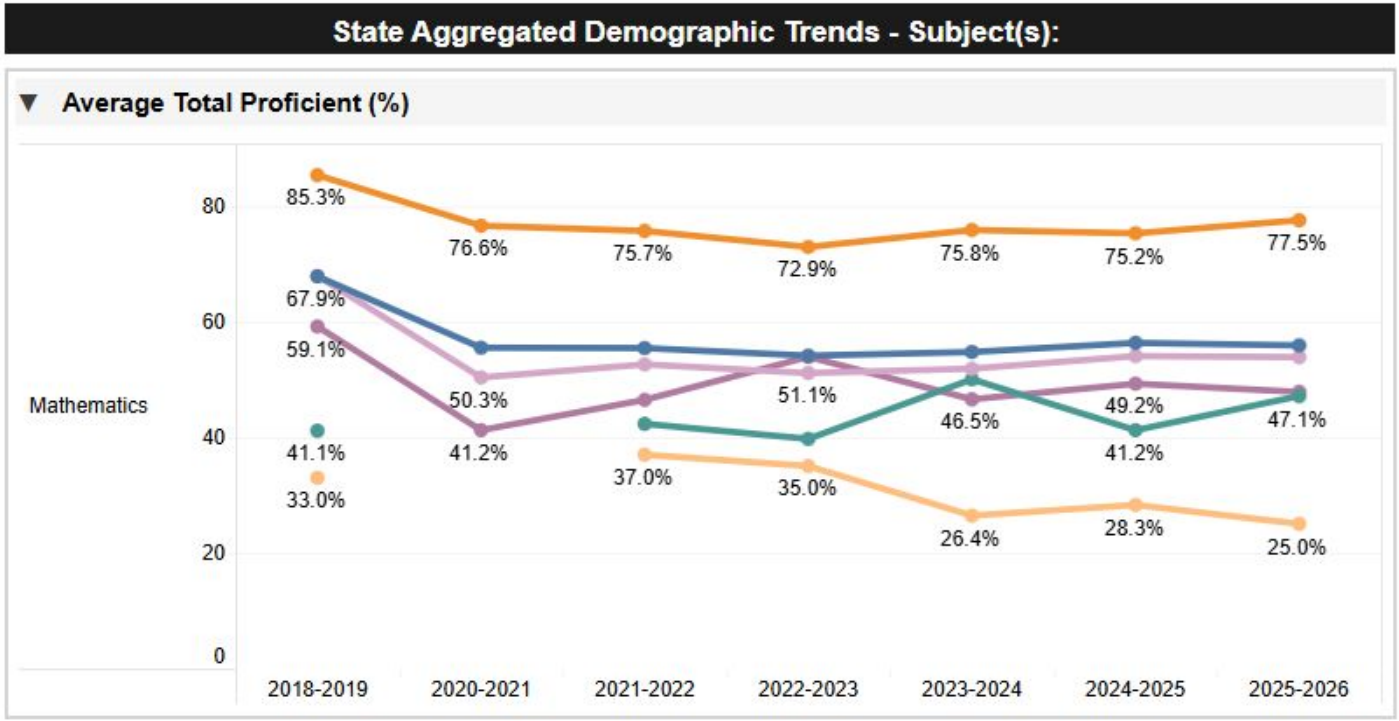
M-STEP Proficiency Level (Grades 3-11)



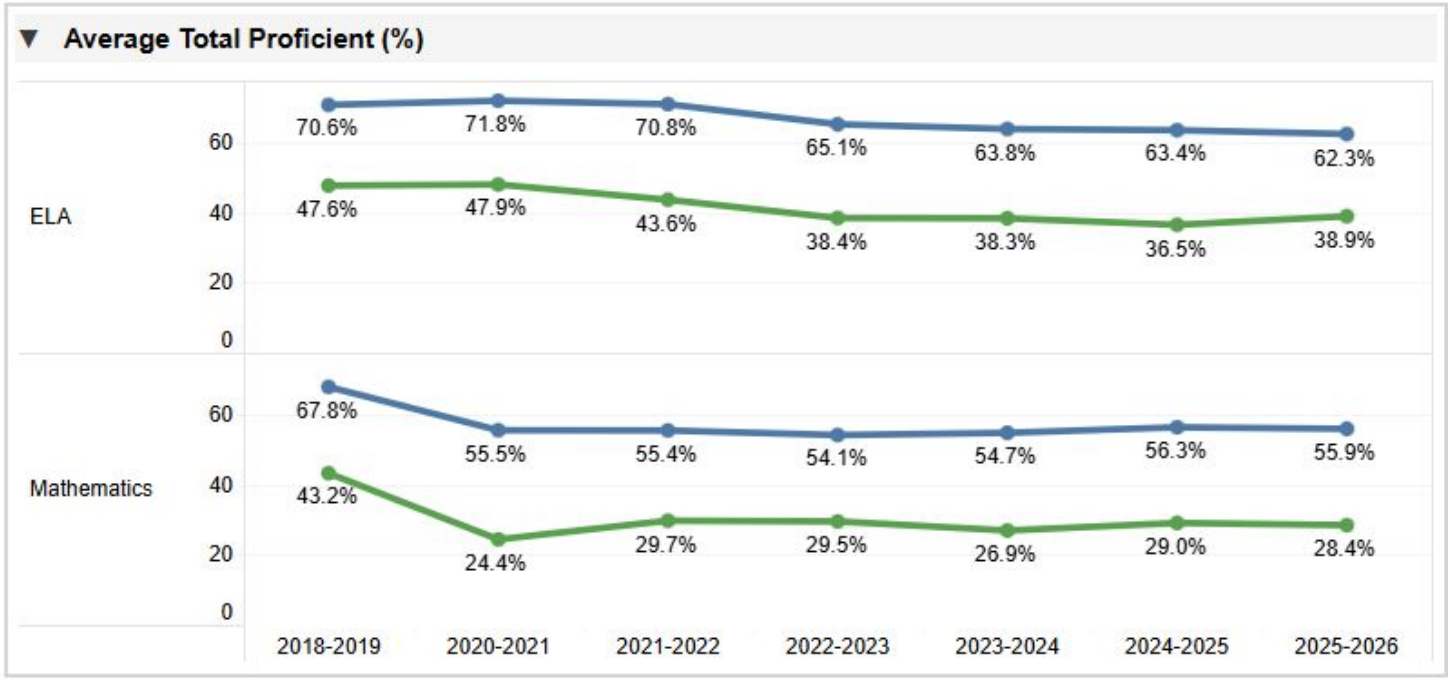
M-STEP Proficiency Level- ELA (Student Ethnicity)

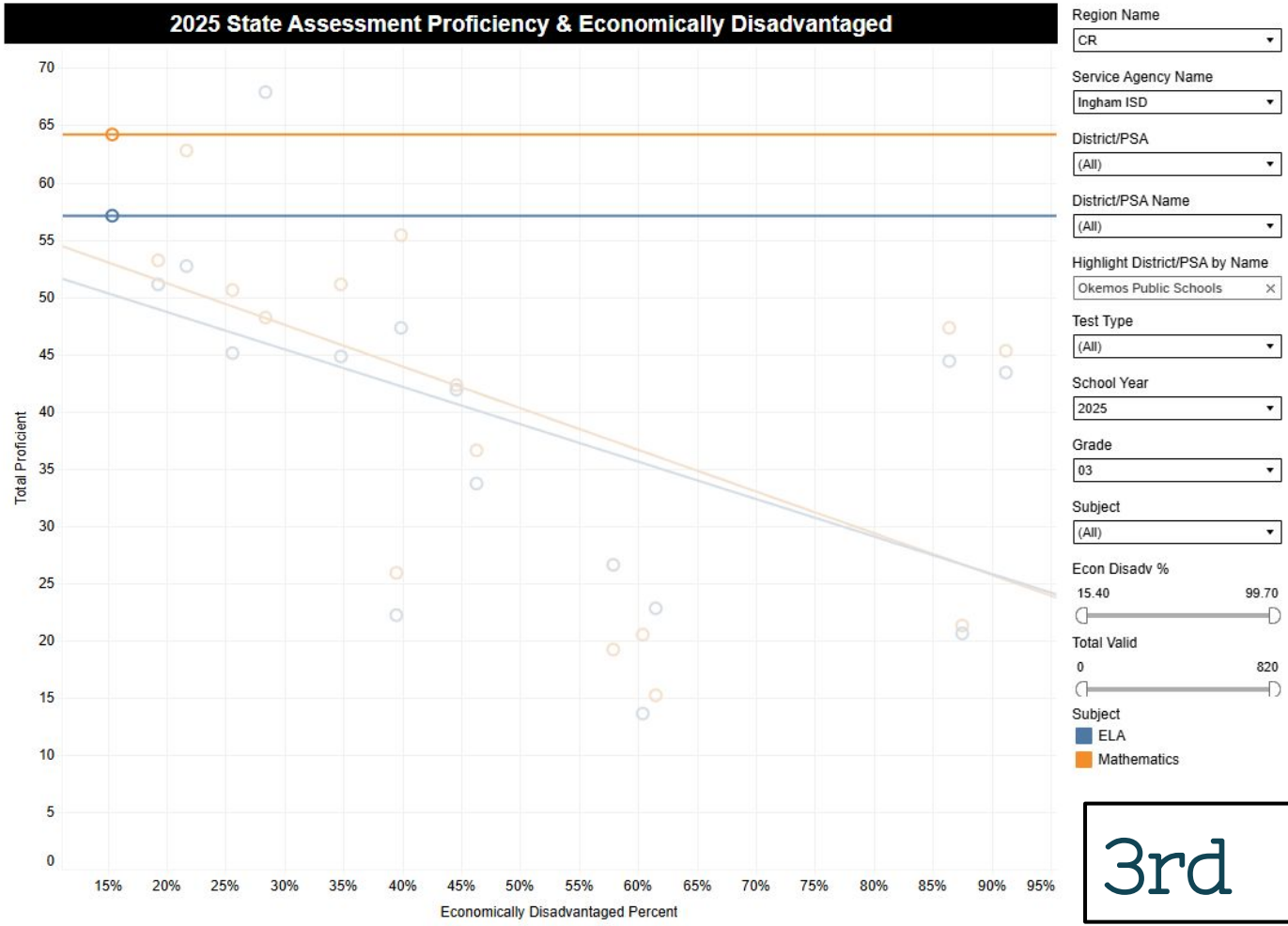


M-STEP Proficiency Level- Math (Student Ethnicity)

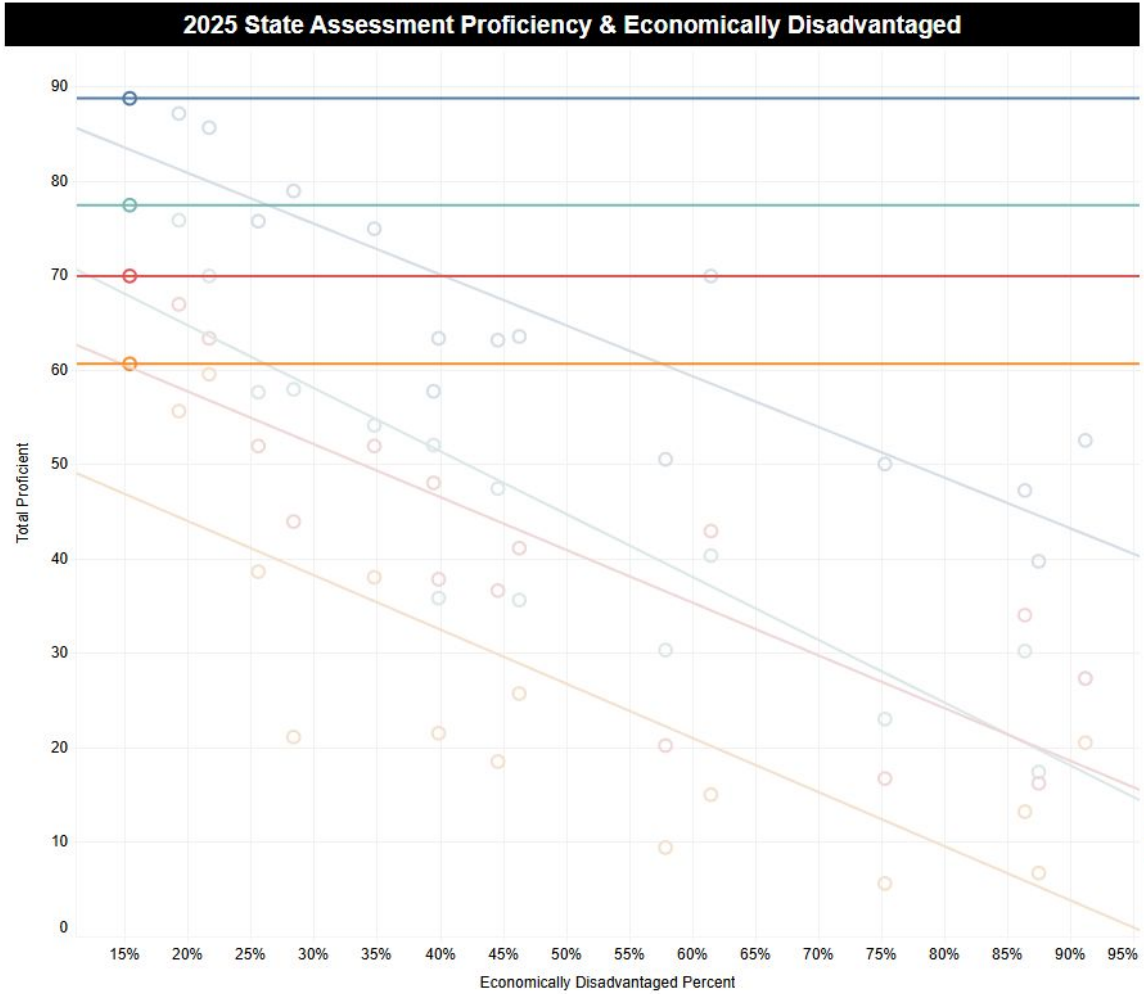


M-STEP Proficiency Level (Economically Disadvantaged)

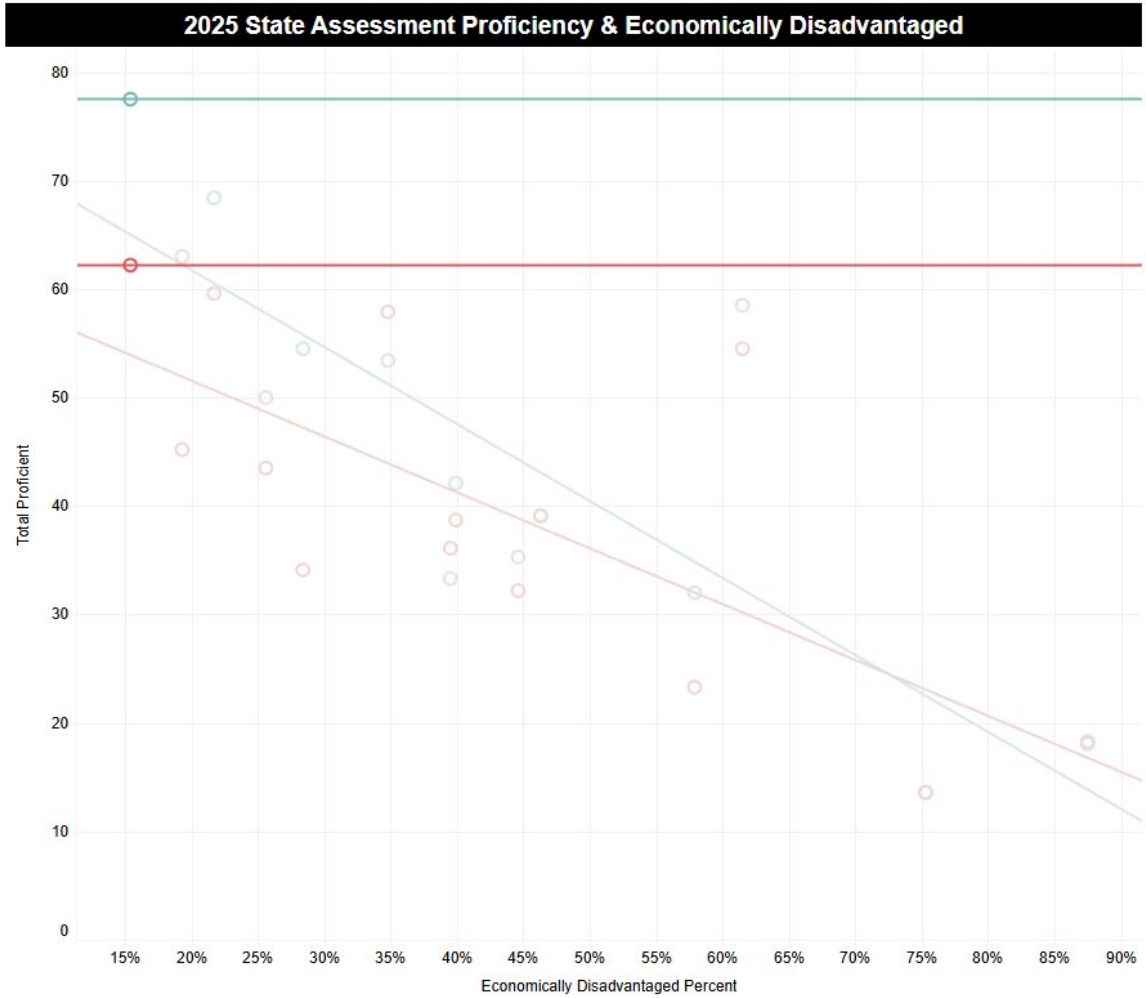



2025 State Assessment Proficiency & Economically Disadvantaged
Total Proficient
Economically Disadvantaged Percent
Region Name
CR
Service Agency Name
Ingham ISD
District/PSA
(All)
District/PSA Name
(All)
Highlight District/PSA by Name
Okemos Public Schools
Test Type
(All)
School Year
2025
Grade
03
Subject
(All)
Econ Disadv %
15.40
99.70
Total Valid
0
820
Subject
ELA
Mathematics

3rd Grade


2025 State Assessment Proficiency & Economically Disadvantaged
Total Proficient
Economically Disadvantaged Percent
0
10
20
30
40
50
60
70
80
90
15%
20%
25%
30%
35%
40%
45%
50%
55%
60%
65%
70%
75%
80%
85%
90%
95%
Region Name
CR
Service Agency Name
Ingham ISD
District/PSA
(All)
District/PSA Name
(All)
Highlight District/PSA by Name
Okemos Public Schools
Test Type
(All)
School Year
2025
Grade
08
Subject
(All)
Econ Disadv %
15.40
99.70
Total Valid
0
673
Subject
ELA
Mathematics
Science
Social Studies

8th


2025 State Assessment Proficiency & Economically Disadvantaged
Total Proficient
Economically Disadvantaged Percent
0
10
20
30
40
50
60
70
80
15%
20%
25%
30%
35%
40%
45%
50%
55%
60%
65%
70%
75%
80%
85%
90%
Region Name
CR
Service Agency Name
Ingham ISD
District/PSA
(All)
District/PSA Name
(All)
Highlight District/PSA by Name
Okemos Public Schools
Test Type
(All)
School Year
2025
Grade
11
Subject
(All)
Econ Disadv %
15.40
87.50
Total Valid
0
586
Subject
ELA
Mathematics
Science
Social Studies

11th

Achievement Data

	M-STEP			PSAT/SAT		
	Actual Spring 23-24	Actual Spring 24-25	Actual Spring 25-26	Actual Spring 23-24	Actual Spring 24-25	Actual Spring 25-26
Proficiency in ELA	63.8%	63.4%	62.3%	86.3%	86.45%	83.1%
Proficiency in Math	54.7%	56.3%	55.9%	61.8%	59.4%	58%
Proficiency in Science	68.9%	67.3%	64.9%			
Proficiency in Social Studies	57.5%	68.6%	65%			

Growth

Benchmark Assessment Data

NWEA Reading Fluency
NWEA MAP Growth- Reading & Math

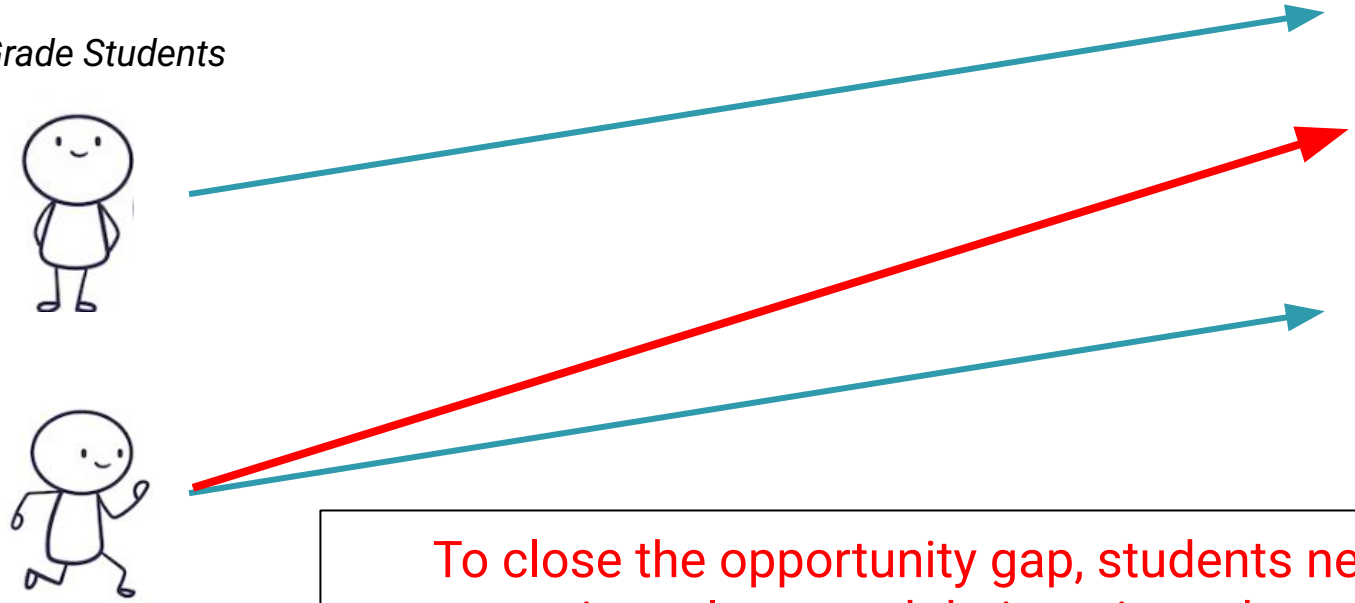
What is Projected Growth?

- The average growth of students who were in the same grade and began the same term at a similar score based on the most recent norm study.
- Growth measures student progress *over a period of time*
- Considers the advancement or improvement in a student's skills, knowledge, and abilities
- How a student has evolved over the course of their educational journey
- Examples: NWEA, student height changes
- It is NOT "years of growth"

Projected Growth

Projected growth based on average 50th percentile

3rd Grade Students



To close the opportunity gap, students need to consistently exceed their projected growth.

Growth Data- NWEA

	Fall-Spring 23-24	Fall-Spring 24-25	Fall-Spring 25-26
K-10th grade students that met their expected **growth in literacy**	**54.5%**	**53.1%**	**59.2%**
K-8th grade students that met their expected **growth in math**	**58.5%**	**64.9%**	**60.4%**

OKEMOS PUBLIC SCHOOLS

Fall-Spring 25-26	Literacy % Met Expected Growth	Math % Met Expected Growth
All	**59.2%**	**60.4%**
Economically Disadvantaged	55.3%	51.1%
Multilingual Learner	61.7%	60.4%
Special Education	52.7%	50.4%
Asian	62.2%	62.9%
Black or African American	56.9%	43.8%
Hispanic	47.7%	53%
White	59.5%	62.8%

Initiatives that have worked/are working

Students

Provide Learning Supports:

- Student learning environments
- New furniture K-8
- Universal accommodations

Educators

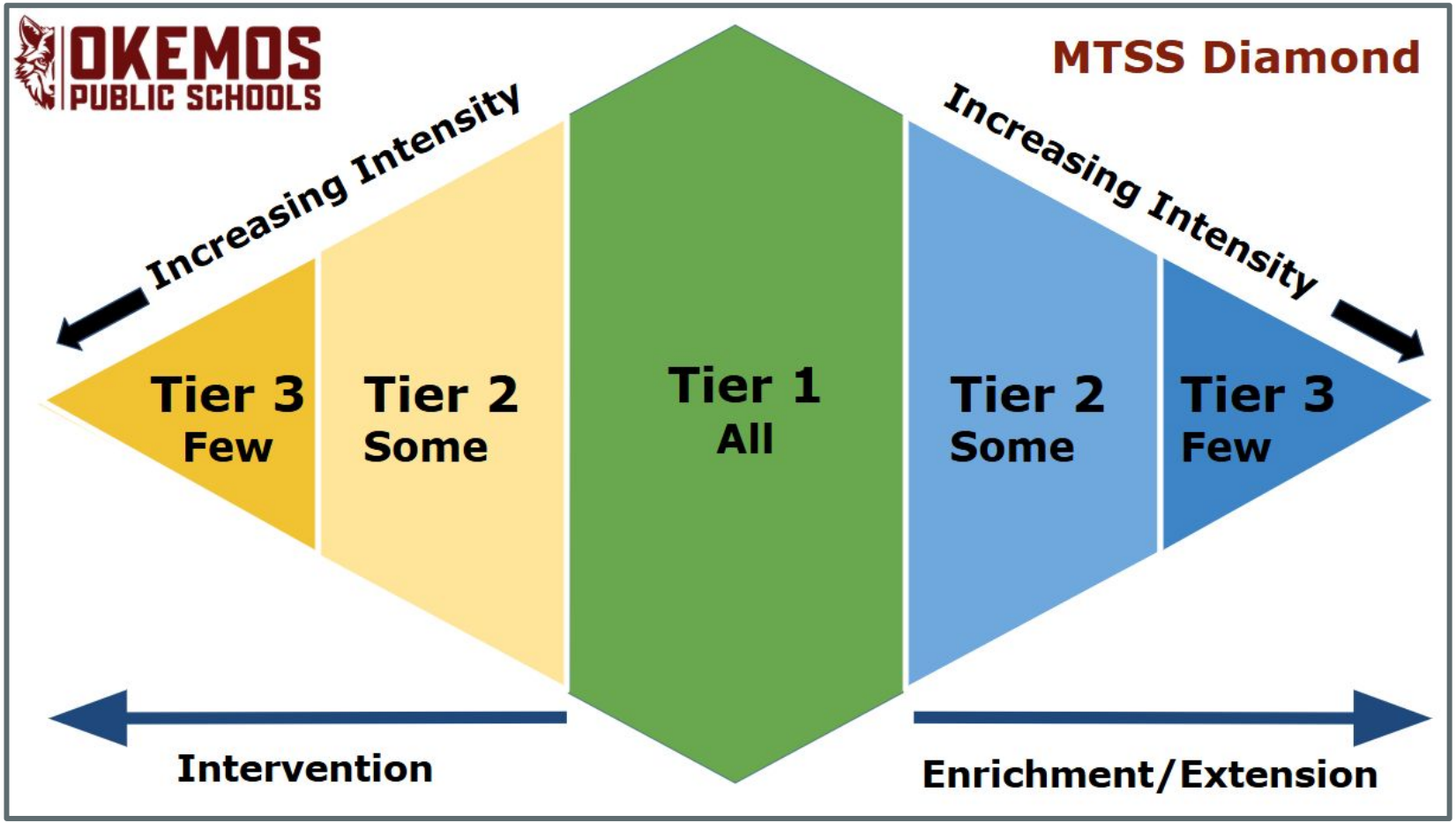
Improve & Enhance Instruction:

- Science of Reading literacy curriculum updates
- Review 5th & 6th Literacy
- Implement 7th & 8th Literacy curriculum
- Implement K-5 Math curriculum
- Continued SIOP PD
- Aligned K-12 ML Curriculum

Organization

Systemic & Aligned Support:

- Multi-Tier System of Support (MTSS) District Committee
- OHS Academic Growth Day
- MTSS diamond- focusing on growth for all learners


OKEMOS
PUBLIC SCHOOLS
MTSS Diamond
Increasing Intensity
Increasing Intensity
Tier 3
Few
Tier 2
Some
Tier 1
All
Tier 2
Some
Tier 3
Few
Intervention
Enrichment/Extension

Food Service Items of note:

State/Federal Reimbursements

2026-$ 2,097,426 2025- $2,284,441.33 2024- $1,999,614.99

Meal Counts: Total Breakfast and Lunch

2026-- 586422 (** note that we charged families for meals in August and September, then transitioned to the Michigan School Meals Program.)

2025-- 627144
2024-- 559416

State Reimbursements Per Meal Per Year:

2027(this year)—	Breakfast-$2.54	Lunch- $4.76
2026	Breakfast-$2.46	Lunch- $4.60
2025	Breakfast- $2.37	Lunch- $4.52

*Saw a decrease in student participation of around 41000 meals resulting in a decrease in income of around $187,000 from reimbursements. I attribute this to starting off charging for meals at the beginning of the semester. Ala Carte sales during that timeframe did increase.

Food Services Notes for Last Year and Opening This Year

10 Cents a Meal Program (Grant) was discontinued by the state 2026 school year but working on it for this year.

We are now working with Frog Holler Produce to bring in more local Michigan produce. We source local apples, black beans, dried cherries, zucchini, cucumber, salad mix, as well as k-4 fruit/vegetable packets.

We began offering a second hot entrée that is vegetarian on the K-4 menu. The menu now offers a hot vegetarian offering daily along with another hot entrée and fun lunch. We hope to see more participation with this introduction and have received many happy compliments about the addition.

We serve 8 buildings breakfast and lunch with a team of 37+ dedicated staff

We brought in a fresh made in house pizza concept called Smart Mouth Pizza that we deployed at Chippewa as a test concept. Going well. We are about 1 month in.
High School renovations to Elementary kitchen wrapped up at the end of August as well as a new walk-in refrigerator and freezer for the main kitchen.

OPS New Hires between August 25 - October 25, 2026

Madeline Adler
Timothy Akers
Kylie Aldridge
Sandra Anderson
Eileen Angel
Abby Bean
Kate Beckerman
Olivia Bednarz
Olivia Bierwirth
Grace Boote
Michelle Branch
Stacey Brewer
Matt Brown
Yvette Buckley
Helena Buffett
Leslie Calderon-Zuniga
Dylan Carr
Tyler Chambers
Olivia Chamberlain
Kathleen Clohesy
Destini Cooks
Megan Cosman
Carolyn Daniels
Larry Decker
Heather DeLadurantaye
Elaina Dowell
Wendi Fleming
Katlyn Fleshner
Angelina Flores
Natalie Frever
Tatiana Garza
Piper Gelfand
Hannah Granger
Vanessa Grant
Kennedy Grant
Alexandra Gregory
Kevin Gunns
Catherine Havern
Devera Hayes
Marie Hayward
Olivia Helmel
Adalyn Hinkley
Zoe Hoke
Akiko Humphrey
Lutfiya Ilyas
Amy Inzetta
Rufus Jackson
Mercedes Johnson
Allison Kaczmarczyk
Rahma Khalil
Nancy Kinoti
Samuel Klahn
Kelsy Knick
Erik Koch
Hannah Lee
Kelsey Lehman
Emily Leuneberg
Adam Malinowski
Shubhangi Malwal
Aruna Sri Mamidala
Marianne Mannie
Jaden Maxey
Joseph Morales
Alissa Morence
Nell O’Hara
Tracy Ojerio
Joseph Owens
Leslie Pico
Candyce Pittman
Michelle Poli
Tammy Polin
James Pratt
Ethan Pyscher
Andrew Quick
Pragati Roy
Ian Ryan
Caitlin Sabin
ShaKyiah Saddler
Margarita Salinas
Waylon Sanford
Taylor Sas
Emily Scobel
Michelle Scott
Yaneli Segovia
Christine Seo
Marlene Soto
Emma Steury
Kate Stirrett

OPS New Hires between August 25 - October 25, 2026

Kelly Sundeen
Courtney Theut
Lia Trudeau
Mallory Tucker
Briana Vazquez
Emma Warhurst
Natalie Warren
Kathryn Wheeler
Seanna Wilks
Bobbie Williams
Harilka Yenna
Kayla Yingling

Okemos Board of Education
Okemos, Michigan 48864
REGULAR MEETING October 12, 2026

The regular meeting of the Okemos Board of Education was called to order by President Tom Buffett at 7:00 p.m.

Roll Call:

Members Present:	Tom Buffett, Andy Phelps, Katie Cavanaugh, Jason Burns, Leeni Shrestha, Shulawn Doxie, and Jillian Winn
Members Absent:	None
Administration:	Superintendent Matt Olson, Jennifer Shattuck, Interim Director of Finance,
Assistant	Matt Wallinga, Assistant Director of Media & Technology

Mission Minute:Around the Pack: Andy Phelps highlighted homecoming and the community coming together; he also represented the board at the National Merit Scholars Semi-Finals. Okemos Public Schools was well represented with six students; President Buffett spoke on how clubs will be funded by the OEA for the 2026-227 school year.

Steve Piesko, CPA and principal of Maner Costerian, P.C., presented the 2025-2026 draft audit report of the district.

Christina Alighire, Interim Early Childhood Coordinator and Jennifer Shattuck, Interim Director of Finance gave a presentation on the Edgewood Tuition Infant/Toddler Programs. Superintendent Olson also spoke on this, as we have a possible option to maximize funds and a path forward for sustainability of these programs.

Okemos Resident Ryan Kunzelman addressed the board regarding the current approach to school district facility access.

Maddie Idema and Finn Regan are the 2026-27 high school representatives to the board. Senior events including senior sunrise, senior tie-dye, and painting senior parking spots started off the school year; clubs are up and running smoothly; Connect has been working hard to get freshman acquainted to the high school; ACTION had their big member meeting and are continuing to be a part of community events; WILL and Leadership and Legacy have been working at the MSU football games; a new club this year, Wolves for Teachers, is partnering with Kroger to stock teacher lounges with snacks and drinks throughout the year. Boys soccer is currently ranked 3rd in the state for Division 1;girls'volleyball defeated Holt this week on youth night and plays their Black-out against Cancer on Oct.13; Girls Golf won Division 1 Regionals; In performing arts the marching band competed in the Grand Ledge Marching Band Exhibition and the choir fall concert will be held on Oct 14th, homecoming theme was decades and was a great week.Trustee Cavanaugh asked how the student reps are chosen. Superintendent/Principal Advisory Council, teacher recommendations were given and recommended students were asked if they had interest in doing so.

Superintendent Matt Olson reported that the Meridian Township Board took a tour of new Chippewa; bond steering committee is up and running and exploring where do we go from here with

our facilities, they have toured Chippewa and OPM and will have a meeting this Wednesday at Edgewood and tour it as the district's oldest building; Lauren Schefke has been hired as the Director of Technology along with Matt Wallinga moving to Assistant Director of Technology; Tracy Ojerio will be returning as interim principal at Bennett Woods for the 2026-27 school year.

President Buffett acknowledged correspondence from the following: Joanna Purkiss**,** inquiring about Cornell Woof Pack Facility Dog; Courtney Castilla, Ryan Kunzelman, and Chris Chiou, regarding OHS/Field Usage; Valencia Anderson, regarding Schools of Choice denial; Amanda S, Okemos Public Schools Technology Safety Concern; and Michael Callahan, notice of resignation from OPM PTO board.

Trustee Shrestha shared that tickets are are sale for the OEF dinner which will be held on November 18, 2026; ISOA Legislative Breakfast was held on October 7, 2026 and was attended by Trustee Shrestha, Trustee Cavanaugh, Trustee Phelps, and Superintendent Olson; Trustee Phelps brought to attention future discussion of the scope and size of the Montessori program for future with steering committee, facilities, etc. More discussion and attention is needed for this topic. Trustee Cavanaugh spoke also on Montessori questions; she has spoken with some Montessori families and the need for uniting the whole program Pre-K through 8. Trustee Winn spoke on the need for a fourth elementary school that is a safe building not only for Montessori programs, but for the need for all students and programs.

MOVED by Jillian Winn, **SUPPORTED** by Katie Cavanaugh, that the board approve items 1 through 2 for immediate implementation and appropriate action.1: Approval of the Minutes of the Regular Meeting of September 14, 2026; Item 2: Approval of the Minutes of the Special Meeting on September 21, 2026; and Item 3: Approval of the Minutes of the Executive Session on September 21, 2026.

AYE: 7 NAYS: 0 ABSENT: 0 **MOTION CARRIED**

MOVED by Andy Phelps, **SUPPORTED** by Leeni Shrestha, that the board endorse the OHS Baseball Spring Training trip to Ft. Myers, FL, scheduled for March 24 - April 1, 2027, with the understanding the students will abide by all school policies and procedures

AYE: 7 NAYS: 0 ABSENT: 0 **MOTION CARRIED**

No public comment.

President Buffett adjourned the regular meeting at 8:42 p.m

_____
Shulawn Doxie, Secretary

Okemos Public Schools
General Fund Budget vs. Actual
Year to Date as of September 30, 2026

	2026-27		
	Original Budget	Actual YTD	% Budget Rec'd/Used
Revenues			
Local	14,244,148	4,744,126	33.3%
State	50,971,515	616,739	1.2%
Federal	412,992	-	0.0%
Transfers - ISD	5,063,000	2,223	0.0%
Other Financing Sources	80,000	90,700	113.4%
Total	**70,771,655**	**5,453,788**	**7.7%**
Expenditures			
Elementary Instruction	9,563,702	1,419,353	14.8%
Middle School Instruction	9,836,830	1,401,308	14.2%
High School Instruction	9,557,044	1,223,945	12.8%
Montessori (PPK-8)	3,829,935	466,554	12.2%
Summer Programs	27,000	14,531	53.8%
Special Education	11,451,238	1,363,508	11.9%
Compensatory Education	1,748,208	269,099	15.4%
Gifted Programs	150,924	17,745	11.8%
Guidance Services	1,699,788	216,330	12.7%
Other Pupil Services	566,094	113,648	20.1%
Improvement of Instruction	1,218,572	275,176	22.6%
Educational Media Services	614,802	79,078	12.9%
Direction of Special Education	328,440	59,522	18.1%
Other Instructional Staff Services	115,615	20,718	17.9%
Board of Education	168,700	52,360	31.0%
Executive Administration	613,809	158,705	25.9%
School Administration	4,007,591	740,551	18.5%
Fiscal Services	720,974	167,110	23.2%
Internal Services	122,561	19,825	16.2%
Other Business Services	241,600	126,408	52.3%
Communication Services	99,880	27,120	27.2%
Staff/Personnel Services	348,355	115,023	33.0%
Technology Services	1,618,756	487,798	30.1%
Operations & Maintenance	6,142,618	2,047,095	33.3%
Pupil Transportation	1,568,154	281,088	17.9%
Athletics	977,781	170,048	17.4%
Community Education	3,879,191	719,988	18.6%
Other Financing Uses	66,244	4,695	0.0%
Total	**71,284,406**	**12,058,329**	**16.9%**
	(512,751)	**(6,604,541)**	

OKEMOS PUBLIC SCHOOLS

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

YEAR ENDED JUNE 30, 2026

Maner Costerisan

TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT 1-3

MANAGEMENT'S DISCUSSION AND ANALYSIS 4-11

BASIC FINANCIAL STATEMENTS 12

Government-wide Financial Statements
Statement of Net Position 13
Statement of Activities 14

Fund Financial Statements
Balance Sheet - Governmental Funds 15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 17-18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 19

Notes to Financial Statements 20-50

REQUIRED SUPPLEMENTARY INFORMATION 51

Budgetary Comparison Schedule - General Fund 52

Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability 53
Schedule of the Reporting Unit's Pension Contributions 54

Schedule of the Reporting Unit's Proportionate Share of the Net OPEB Liability (Asset) 55
Schedule of the Reporting Unit's OPEB Contributions 56

Notes to Required Supplementary Information 57-62

ADDITIONAL SUPPLEMENTARY INFORMATION 63

Nonmajor Governmental Fund Types
Combining Balance Sheet 64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 65

Capital Project Funds
Combining Balance Sheet 66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 67

Debt Service Funds
Combining Balance Sheet 68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 69

TABLE OF CONTENTS

Page

Long-Term Debt
Bonded Debt 70-72

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* 73-74

Maner Costerisan

2425 E. Grand River Ave.,
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
Okemos Public Schools

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Okemos Public Schools, 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 Okemos Public Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2026 on our consideration of Okemos Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Okemos Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Okemos Public Schools internal control over financial reporting and compliance.

Maner Costerisan PC

Lansing, Michigan
October 6, 2026

OKEMOS PUBLIC SCHOOLS
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 the Executive Director of Finance's Office at 4406 Okemos Road, Okemos, Michigan 48864 or 517-706-5000.

OVERVIEW OF THE FINANCIAL STATEMENTS

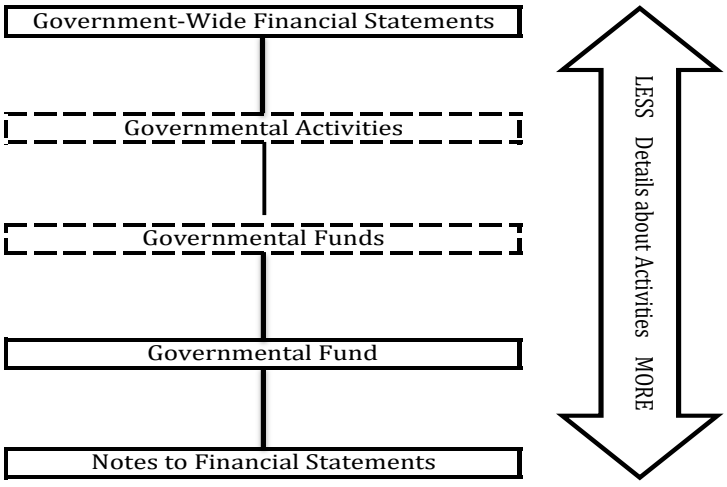
The District's financial report contains basic financial statements. Those financial statements present the District's finances at both an overall and a detailed level. The first two - the *government-wide financial statements* - cover the District's governmental activities. (See the diagram in Figure 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-personal 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 bases 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
Okemos Public Schools' Net Position

	2026	2025	Dollar Change	Total Percentage Change
Current and other assets	$ 109,803,498	$ 75,977,294	$ 33,826,204	44.5%
Net other postemployment benefits asset	20,069,900	13,555,098	6,514,802	48.1%
Capital assets	173,507,985	109,673,791	63,834,194	58.2%
Total assets	303,381,383	199,206,183	104,175,200	52.3%
Deferred outflows	22,328,287	27,172,416	(4,844,129)	-17.8%
Noncurrent liabilities	177,389,453	93,309,574	84,079,879	90.1%
Net pension liability	64,305,478	77,238,939	(12,933,461)	-16.7%
Other liabilities	34,887,273	22,644,413	12,242,860	54.1%
Total liabilities	276,582,204	193,192,926	83,389,278	43.2%
Deferred inflows	42,204,258	43,567,432	(1,363,174)	-3.1%
Net position				
Net investment in capital assets	60,544,047	58,389,881	2,154,166	3.7%
Restricted for debt service	-	213,488	(213,488)	-100.0%
Restricted for capital projects - sinking fund	3,218,550	3,375,151	(156,601)	-4.6%
Restricted for contributions	750,000	-	750,000	100.0%
Restricted for food service	7,473	114,929	(107,456)	-93.5%
Restricted for net other postemployment benefits	20,069,900	13,555,098	6,514,802	48.1%
Unrestricted	(77,666,762)	(86,030,306)	8,363,544	9.7%
Total net position	$ 6,923,208	$ (10,381,759)	$ 17,304,967	166.7%

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 $7,000,000, an increase of $17,304,967 or 166.7% compared with 2025. This increase is primarily due to an $8,363,544 or 9.7% increase in unrestricted net position. All of the increase in net position was the result of the financial performance of the governmental activities. 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. The total increase of net position of the District's governmental activities was $17,304,967. Various events contributed to this increase in net position; however, the primary factors affecting the change in net position are as follows:

1. Growth in the taxable value of nonpersonal residential exempt properties.
2. Growth in the state aid foundation allowance.
3. Decreases in expenses due to a decrease in the net pension liability and an increase in net other postemployment benefits asset.

Table A-2
Changes in Okemos Public Schools' Net Position

	2026	2025	Dollar Change	Total Percentage Change
Revenues				
Program revenues				
Charges for services	$ 3,428,016	$ 2,955,479	$ 472,537	16.0%
Operating grants and contributions	19,034,397	22,596,736	(3,562,339)	-15.8%
General revenues				
Property taxes	24,567,433	23,603,082	964,351	4.1%
State aid - unrestricted	35,849,882	34,473,433	1,376,449	4.0%
Ingham ISD	5,574,169	5,626,680	(52,511)	-0.9%
Investment and other	2,155,040	4,238,788	(2,083,748)	-49.2%
Total revenues	90,608,937	93,494,198	(2,885,261)	-3.1%
Expenses				
Instruction	31,630,512	34,104,904	(2,474,392)	-7.3%
Support services	23,741,018	25,153,492	(1,412,474)	-5.6%
Community services	2,923,059	3,050,944	(127,885)	-4.2%
Food services	2,664,032	2,713,220	(49,188)	-1.8%
Student/school activities	1,267,853	1,211,207	56,646	4.7%
Athletics	994,635	983,891	10,744	1.1%
Interest on long-term debt	5,501,633	4,320,415	1,181,218	27.3%
Unallocated depreciation/amortization	4,581,228	3,539,768	1,041,460	29.4%
Total expenses	73,303,970	75,077,841	(1,773,871)	-2.4%
Excess (deficiency) before unusual/ infrequent items	17,304,967	18,416,357	(1,111,390)	
Unusual or infrequent item - insurance reimbursements				
Reimbursement revenues	443,994	-	443,994	100.0%
Expenses	(443,994)	-	(443,994)	100.0%
Change in net position	17,304,967	18,416,357	$ (1,111,390)	-6.0%
Net position - beginning of year	(10,381,759)	(28,798,116)		
Net position - end of year	$ 6,923,208	$ (10,381,759)		

Decline in Operating Grants and Contributions

There were notable decreases in operating grants and contributions compared to the prior year, which accounts for 21% of overall revenues. Most of the decrease is attributed to fully utilizing the one time COVID related funding. This funding was scheduled to be all spent by the end of June 30, 2025, and did not carry-over to the June 30, 2026 school year. The District also experienced a decline in the 31aa grant due to declining the grant funds during the June 30, 2026 school year.

Increase in State Sources

State sources increased in the current year compared to the prior year, which accounts for 39.6% of overall revenues. State sources is a product of student counts multiplied by the foundation allowance. The foundation allowance increased by $442 per pupil in 2026, with an increase in student enrollment of approximately 43 students.

Decrease in Investment and Other

Investment and other decreased approximately 50% in the current year compared to the prior year. The majority of the decrease is attributed to the spending down of the 2023 Capital Projects Fund. During the June 30, 2026 school year, the District issued Series III bonds in the amount of $96,401,460. These bonds were issued and March and were only invested for three months before year end.

Decline in Expenses

Total expenses for the District dropped by 2.4% overall. The significant reduction was due to a positive pension and OPEB adjustment. The adjustment was to reduce the pension liability and increase the OPEB asset by approximately $12.9 million and $6.5 million, respectively. The adjustment was a noncash transaction, and a significant portion of the adjustment was in the instruction function. Without the pension and OPEB adjustment, actual expenses would have increased by approximately $16.9 million. The District has no control over the pension and OPEB plans as they are administered by the state.

GOVERNMENTAL FUNDS

The District reports three major funds individually in the governmental fund financial statements. These funds are the general fund, the 2023 (series I, II, and III) capital projects fund and the 2024 debt retirement fund. Most of the discussion regarding governmental activities is equally applicable to the finances of this governmental fund. 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		2023 Capital Projects Fund (Series I, II, and III		2024 Debt Retirement Fund	
	2026	2025	2026	2025	2026	2025
REVENUES	$ 71,824,074	$ 70,265,957	$ 854,380	$ 3,415,199	$ 11,875,803	$ 4,504,132
EXPENDITURES	71,987,133	72,031,542	70,841,662	40,536,053	11,640,351	4,123,893
Excess (deficiency) of revenues over expenditures	(163,059)	(1,765,585)	(69,987,282)	(37,120,854)	235,452	380,239
OTHER FINANCING SOURCES (USES)						
Proceeds from the issuance of bonds	-	-	89,730,000	-	-	-
Premium on issuance of debt	-	-	6,671,460	-	-	-
Transfers in	80,000	80,000	-	-	436,462	-
Transfers out	(17,035)	(17,035)	-	-	-	-
Total other financing sources (uses)	62,965	62,965	96,401,460	-	436,462	-
UNUSUAL OR INFREQUENT ITEM - INSURANCE REIMBURSEMENTS						
Reimbursement revenues	443,994	-	-	-	-	-
Expenses	(443,994)	-	-	-	-	-
Total unusual or infrequent item	-	-	-	-	-	-
Net change in fund balance	(100,094)	(1,702,620)	26,414,178	(37,120,854)	671,914	380,239
Fund balance - beginning of year	9,225,700	10,928,320	38,056,005	75,176,859	380,239	-
Fund balance - end of year	$ 9,125,606	$ 9,225,700	$ 64,470,183	$ 38,056,005	$ 1,052,153	$ 380,239

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 1.0%. The decline in fund balance is attributable to the District's cost of operating being greater than the amount of revenue received.

The overall fund balance at the end of June 30, 2026, represented approximately 12.7% of operating expenditures. The District aims to have a minimum fund balance of 10% of operating expenditures. Within fund balance, approximately 90% of the balance is considered unassigned. The remaining 10% is considered either restricted, committed, or assigned for other items and is not readily available for use.

2023 Capital Projects Fund (Series I, II and III)

The fund balance for the 2023 Capital Projects Fund (series I, II and III) 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.

2024 Debt Retirement Fund

The fund balance for the 2024 Debt Retirement 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.

SIGNIFICANT CAPITAL ASSET 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 58.2% over 2025. See Table A-4 for the carrying value of capital assets.

Table A-4
Okemos Public Schools' Capital Assets

	2026	2025	Total Percentage Change
Land and land improvements	$ 7,201,907	$ 7,222,367	-0.3%
Building and improvements	151,581,628	87,640,884	73.0%
Equipment and furniture	12,953,452	12,846,958	0.8%
Right to use - leased equipment	74,211	125,372	-40.8%
Right to use - subscription-based IT	296,223	474,735	-37.6%
Transportation equipment	1,400,564	1,363,475	2.7%
Total - net of accumulated depreciation/amortization	$ 173,507,985	$ 109,673,791	58.2%

A significant reason for the increase in the net capital assets relates to the buildings and additions category. During 2026, the District completed and placed in service approximately $68 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 increased by 94.4% from the prior year. See Table A-5 for the carrying value of the District's long-term obligations.

Table A-5
Okemos Public Schools' Long-term Obligations

	2026	2025	Total Percentage Change
General obligation bonds	$ 177,355,023	$ 89,199,252	98.8%
Direct borrowings and direct placement	79,098	140,663	-43.8%
Compensated absences and other benefits	3,997,356	3,969,659	0.7%
Total	$ 181,431,477	$ 93,309,574	94.4%

During 2026, the District issued a new bond in the amount of $96,401,460. This is the primary reason for the increase in bonds and related debt. The total amount of principal paid in the current year was approximately $8 million.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

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

- Inflationary pressures and continued increases in the cost of goods and services remain important considerations for the District. Increases in salaries and benefits, health care, utilities, supplies, contracted services, and other operating costs are factors the District considers when making current-year and long-term financial decisions.

- The financial health of the District is influenced by a variety of internal and external factors, including state and federal funding. Both continue to present a degree of uncertainty. The District monitors proposed changes to state funding formulas, categorical funding allocations, and other state financial support, including the State's support for the unfunded pension liability. Changes in these areas could have an impact on the District's future revenues and expenditures.

- The District also continues to monitor federal policy developments and the federal appropriation process to assess the potential impact on grants and other federal resources that support District programs and services.

- As student count is the driving force behind the district's revenue streams, the district continues to be concerned with enrollment, as any loss in students will have a direct impact on the district's revenue.

- The State of Michigan had not passed a school aid budget at the end of June. The districts passed a budget for fiscal year 2026-2027 with unknown financial impact from future state funding.

BASIC FINANCIAL STATEMENTS

OKEMOS PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 9,634,286
Investments	6,788,192
Receivables	
Intergovernmental	9,158,084
Other receivables	751,005
Inventories	21,367
Prepaids	408,341
Restricted investments capital projects fund	83,042,223
Net other postemployment benefits asset	20,069,900
Capital assets not being depreciated/amortized	4,353,355
Capital assets, net of accumulated depreciation/amortization	169,154,630
TOTAL ASSETS	303,381,383
DEFERRED OUTFLOWS OF RESOURCES	
Related to other postemployment benefits	3,339,863
Related to pensions	18,988,424
TOTAL DEFERRED OUTFLOWS OF RESOURCES	22,328,287
LIABILITIES	
Accounts payable	19,788,293
Accrued salaries and related items	4,685,703
Accrued retirement	2,705,245
Accrued interest	2,085,376
Unearned revenue	1,580,632
Noncurrent liabilities	
Due within one year	4,042,024
Due in more than one year	177,389,453
Net pension liability	64,305,478
TOTAL LIABILITIES	276,582,204
DEFERRED INFLOWS OF RESOURCES	
Related to other postemployment benefits	16,973,198
Related to pensions	19,971,456
Related to state aid funding for pension	5,259,604
TOTAL DEFERRED INFLOWS OF RESOURCES	42,204,258
NET POSITION	
Net investment in capital assets	60,544,047
Restricted for food service	7,473
Restricted for capital projects - sinking fund	3,218,550
Restricted for contributions	750,000
Restricted for net other postemployment benefits	20,069,900
Unrestricted	(77,666,762)
TOTAL NET POSITION	$ 6,923,208

See notes to financial statements.

OKEMOS PUBLIC SCHOOLS
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	$ 31,630,512	$ -	$ 11,782,411	$ (19,848,101)
Support services	24,735,653	560,877	2,977,792	(21,196,984)
Community services	2,923,059	2,486,307	655,694	218,942
Food services	2,664,032	380,832	2,348,722	65,522
Student/school activities	1,267,853	-	1,269,778	1,925
Interest and fees on long-term debt	5,501,633	-	-	(5,501,633)
Unallocated depreciation/amortization	4,581,228	-	-	(4,581,228)
Total governmental activities	$ 73,303,970	$ 3,428,016	$ 19,034,397	(50,841,557)
General revenues				
Property taxes, levied for general purposes				10,797,589
Property taxes, levied for debt service				12,084,239
Property taxes, levied for capital projects				1,685,605
State sources - unrestricted				35,849,882
Ingham ISD special educational allocation				5,574,169
Investment earnings				1,325,299
Other				829,741
Unusual or infrequent item - insurance reimbursements				
Reimbursement revenues				443,994
Expenses				(443,994)
Total general revenues				68,146,524
CHANGE IN NET POSITION				17,304,967
NET POSITION, beginning of year				(10,381,759)
NET POSITION, end of year				$ 6,923,208

See notes to financial statements.

OKEMOS PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	2023 Capital Projects Fund (Series I, II, and III)	2024 Debt Retirement	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 6,448,417	$ -	$ 814,915	$ 2,370,954	$ 9,634,286
Investments	2,568,213	-	-	4,219,979	6,788,192
Receivables					
Other receivables	114,743	-	-	636,262	751,005
Intergovernmental	8,894,200	-	-	263,884	9,158,084
Due from other funds	33,609	731,044	237,238	262,778	1,264,669
Inventories	-	-	-	21,367	21,367
Prepaids	408,341	-	-	-	408,341
Restricted investments capital projects fund	-	83,042,223	-	-	83,042,223
TOTAL ASSETS	$ 18,467,523	$ 83,773,267	$ 1,052,153	$ 7,775,224	$ 111,068,167
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 396,830	$ 19,303,084	$ -	$ 88,379	$ 19,788,293
Accrued salaries and related items	4,676,205	-	-	9,498	4,685,703
Accrued retirement	2,702,615	-	-	2,630	2,705,245
Due to other funds	-	-	-	1,264,669	1,264,669
Unearned revenue	1,466,267	-	-	114,365	1,580,632
TOTAL LIABILITIES	9,241,917	19,303,084	-	1,479,541	30,024,542
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	100,000	-	-	625,000	725,000
FUND BALANCES					
Nonspendable					
Inventories	-	-	-	21,367	21,367
Prepaids	408,341	-	-	-	408,341
Restricted for:					
Debt service	-	-	1,052,153	139,007	1,191,160
Food service	-	-	-	988,414	988,414
Capital projects	-	-	-	3,218,550	3,218,550
Contributions				125,000	125,000
Capital projects - school improvements	-	64,470,183	-	-	64,470,183
Committed for student/school activities	-	-	-	828,305	828,305
Assigned for:					
Capital projects	-	-	-	350,040	350,040
Subsequent years expenditures	523,587	-		-	523,587
Unassigned	8,193,678	-	-	-	8,193,678
TOTAL FUND BALANCES	9,125,606	64,470,183	1,052,153	5,670,683	80,318,625
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 18,467,523	$ 83,773,267	$ 1,052,153	$ 7,775,224	$ 111,068,167

See notes to financial statements.

OKEMOS PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total governmental fund balances		$ 80,318,625
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows of resources - related to pensions	$ 18,988,424	
Deferred outflows of resources - related to OPEB	3,339,863	
Deferred inflows of resources - related to pensions	(19,971,456)	
Deferred inflows of resources - related to OPEB	(16,973,198)	
Deferred inflows of resources - related to state pension funding	(5,259,604)	
Deferred inflows at June 30, 2026 expected to be collected after September 1, 2026	725,000	
		(19,150,971)
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		20,069,900
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of the capital assets	265,663,544	
Accumulated depreciation/amortization is	(92,155,559)	
		173,507,985
Long-term liabilities are not due and payable in the current period and are not reported in the funds:		
General obligation bonds		(177,355,023)
Direct borrowings and direct placement		(79,098)
Compensated absences and other benefits		(3,997,356)
Net pension liability		(64,305,478)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid:		
Accrued interest		(2,085,376)
Net position of governmental activities		$ 6,923,208

See notes to financial statements.

OKEMOS PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2026

	General Fund	2023 Capital Projects Fund (Series I, II, and III)	Formally Nonmajor 2024 Debt Retirement	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Local sources					
Property taxes	$ 10,797,589	$ -	$ 11,652,614	$ 2,117,230	$ 24,567,433
Community service	2,488,388	-	-	-	2,488,388
Intermediate district	5,621,757	-	-	-	5,621,757
Investment earnings, net	221,697	854,380	84,801	164,421	1,325,299
Food service sales	-	-	-	380,832	380,832
Athletics	312,341	-	-	-	312,341
Student/school activity income	-	-	-	1,269,778	1,269,778
Other	318,456	-	-	139,670	458,126
Total local sources	19,760,228	854,380	11,737,415	4,071,931	36,423,954
State sources	51,533,580	-	138,388	1,510,647	53,182,615
Federal sources	530,266	-	-	863,702	1,393,968
TOTAL REVENUES	71,824,074	854,380	11,875,803	6,446,280	91,000,537
EXPENDITURES					
Current					
Instruction	42,121,794	-	-	-	42,121,794
Support services	26,361,390	-	-	-	26,361,390
Community services	3,435,525	-	-	-	3,435,525
Food service	-	-	-	2,828,937	2,828,937
Student/school activities	-	-	-	1,267,853	1,267,853
Capital outlay	2,180	70,311,463	-	2,047,861	72,361,504

See notes to financial statements.

	General Fund	2023 Capital Projects Fund (Series I, II, and III)	2024 Debt Retirement	Total Nonmajor Funds	Total Governmental Funds
EXPENDITURES (continued)					
Debt service					
Principal repayment	$ 61,565	$ -	$ 7,805,000	$ 125,000	$ 7,991,565
Interest	4,679	-	3,834,750	250,050	4,089,479
Bond issuance costs	-	530,199	-	-	530,199
Miscellaneous	-	-	601	1,398	1,999
TOTAL EXPENDITURES	71,987,133	70,841,662	11,640,351	6,521,099	160,990,245
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(163,059)	(69,987,282)	235,452	(74,819)	(69,989,708)
OTHER FINANCING SOURCES (USES)					
Proceeds from the issuance of bonds	-	89,730,000	-	-	89,730,000
Premium on issuance of debt	-	6,671,460	-	-	6,671,460
Transfers in	80,000	-	436,462	33,205	549,667
Transfers out	(17,035)	-	-	(532,632)	(549,667)
TOTAL OTHER FINANCING SOURCES (USES)	62,965	96,401,460	436,462	(499,427)	96,401,460
UNUSUAL OR INFREQUENT ITEM - INSURANCE REIMBURSEMENTS					
Reimbursement revenues	443,994	-	-	-	443,994
Expenses	(443,994)	-	-	-	(443,994)
TOTAL UNUSUAL OR INFREQUENT ITEM	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(100,094)	26,414,178	671,914	(574,246)	26,411,752
FUND BALANCES					
Beginning of year, as previously presented	9,225,700	38,056,005	-	6,625,168	53,906,873
Adjustments to beginning fund balances	-	-	380,239	(380,239)	-
Beginning of year, as restated	9,225,700	38,056,005	380,239	6,244,929	53,906,873
End of year	$ 9,125,606	$ 64,470,183	$ 1,052,153	$ 5,670,683	$ 80,318,625

See notes to financial statements.

OKEMOS PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Net change in fund balances total governmental funds	$ 26,411,752
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	(7,753,655)
Capital outlay	71,726,297
Net book value of assets disposed	(138,448)
Accrued interest on bonds and other debt 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	673,992
Accrued interest payable, end of the year	(2,085,376)
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, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences is the treatment of long-term debt and related items and are as follows:	
Proceeds from issuance of bonds	(89,730,000)
Premium on issuance of debt	(6,671,460)
Payment on debt principal	7,930,000
Amortization of bond premium	315,689
Payments on notes from direct borrowings and direct placement	61,565
Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered available:	
Unavailable revenue, beginning of the year	(100,000)
Unavailable revenue, end of the year	725,000
Compensated absences and other benefits are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences and other benefits, beginning of the year	3,969,659
Accrued compensated absences and other benefits, end of the year	(3,997,356)
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:	
Other postemployment benefits related items	7,064,893
Pension related items	9,912,085
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:	
Change in state aid funding for pension	(1,009,670)
Change in net position of governmental activities	$ 17,304,967

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Description of Government-wide Financial Statements

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

Basis of Presentation - Government-wide Financial Statements

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

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

Basis of Presentation - Fund Financial Statements

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

The District reports the following *Major Governmental Funds*:

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

The *2023 Capital Projects Fund (Series I, II, and III)* includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the school district has complied with the applicable provisions of §1351a of the Revised School Code. The fund is not yet considered substantially complete and a subsequent year audit is expected.

The 2024 *Debt Service Fund* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

Major Governmental Funds (continued):

Beginning with the year of bond issuance, the school district has reported the annual construction activity in the *2023 Capital Projects Fund (Series I, II, and III)*.

The cumulative revenues and expenditures recognized for the construction period were as follows:

	2023 Capital Projects Fund (Series I, II, and III)
Revenue and other financing sources	$ 194,854,911
Expenditures and outgoing transfers	$ 130,384,728

The District reports the following *Other Nonmajor Funds:*

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

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

The *Capital Projects Fund* accounts for the receipt of local funding that will be used for the acquisition of capital assets or construction of major capital projects.

The *Capital Projects Sinking Fund* accounts for the receipt of property taxes and the acquisition of capital assets or construction of major capital projects.

Sinking Fund - The Okemos Public Schools capital project fund records capital project activities funded with Sinking Fund millage. For this fund, the District has complied with the applicable provisions of §1212(l) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2023-1.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

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

The 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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.

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 (3) highest classifications established by not less than two (2) 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 Prepaid Items

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

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

Capital Assets

Capital assets, which include property, plant, equipment, right to use – leased equipment, right to use - subscription based IT arrangements, 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 $15,000 and an estimated useful life in excess of 2 years. Group purchases are evaluated on a case by case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

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

Capital Asset Classes	Years
Land improvements	10 - 27.5 years
Building and improvements	10 - 50 years
Furniture and fixtures	7 - 20 years
Machinery and equipment	5 - 20 years
Computers and equipment	5 - 10 years
Right to use - leased equipment	5 years
Right to use - subscription-based IT	3 - 7 years
Transportation equipment	5 - 10 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Defined Benefit Plans

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

Deferred Outflows

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

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension benefit 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. The last item arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from receipts that are received after 60 days of year end. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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).

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Leases and Subscription-based IT Arrangements (SBITA)

The District is a lessee for a noncancelable lease/subscription of equipment and IT arrangements. The District recognizes a lease/SBITA liability and an intangible right-to-use lease/SBITA asset in the government-wide financial statements.

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

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

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

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

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

Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term obligations 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses (continued)

Property Taxes

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

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

Fund	Mills
General fund	
Non-Principal Residence Exemption (PRE)	18.0000
Commercial Personal Property	6.0000
Debt service fund	
PRE, Non-PRE, Commercial Personal Property	7.0000
Capital projects fund (Sinking Fund):	
PRE, Non-PRE, Commercial Personal Property	0.9850

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.

Long-Term Obligations

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Custodial Credit Risk - Deposits.

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2026, $9,640,734 of the District's bank balance of $9,890,734 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was $9,633,926.

Custodial Credit Risk – Investments

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

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

Interest Rate Risk

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

Investment Type	Fair Value	Weighted Average Maturity (years)
MILAF External Investment Pool - CMC	$ 213,651	N/A
MILAF External Investment Pool - Max	89,616,764	N/A
Total Fair Value	$ 89,830,415	
Portfolio weighted average maturity		N/A

One day maturity equals approximately .0027 years.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

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	Standard & Poor's Rating	Rating Agency
MILAF External Investment Pool - CMC	$ 213,651	AAAm	Standard & Poor's
MILAF External Investment Pool - Max	89,616,764	AAAm	Standard & Poor's
Total fair value	$ 89,830,415		

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.

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 (continued)

Fair Value Measurement (continued)

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

	Amortized Cost
MILAF External Investment pool - CMC	$ 213,651
MILAF External Investment pool - Max	89,616,764
	$ 89,830,415

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

The above amounts are reported in the financial statements as follows:

Cash and cash equivalents	$ 9,634,286
Investments	6,788,192
Investments restricted for capital projects fund	83,042,223
	$ 99,464,701

NOTE 3 - INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables as of June 30, 2026 consist of the following:

State aid - Michigan Department of Education	$ 8,874,242
Federal	151,768
Intermediate school district and other	132,074
Total	$ 9,158,084

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

No allowance for doubtful accounts is considered necessary.

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Assets, not being depreciated/amortized				
Land	$ 4,353,355	$ -	$ -	$ 4,353,355
Capital assets, being depreciated/amortized				
Land improvements	12,875,227	280,805	-	13,156,032
Building and improvements	146,858,857	68,736,557	(3,009,711)	212,585,703
Furniture and fixtures	9,675,124	1,406,645	(106,393)	10,975,376
Machinery and equipment	5,387,087	44,575	(75,716)	5,355,946
Computers and equipment	14,035,296	953,921	(217,623)	14,771,594
Right to use - leased equipment	255,804	-	-	255,804
Right to use - subscription-based IT	1,026,265	-	-	1,026,265
Transportation equipment	2,968,026	303,794	(88,351)	3,183,469
Total capital assets, being depreciated/amortized	193,081,686	71,726,297	(3,497,794)	261,310,189
Accumulated depreciation/amortization				
Land improvements	10,006,215	301,265	-	10,307,480
Building and improvements	59,217,973	4,657,365	(2,871,263)	61,004,075
Furniture and fixtures	7,621,735	188,422	(106,393)	7,703,764
Machinery and equipment	4,320,734	100,007	(75,716)	4,345,025
Computers and equipment	4,308,080	2,010,218	(217,623)	6,100,675
Right to use - leased equipment	130,432	51,161	-	181,593
Right to use - subscription-based IT	551,530	178,512	-	730,042
Transportation equipment	1,604,551	266,705	(88,351)	1,782,905
Total accumulated depreciation/amortization	87,761,250	7,753,655	(3,359,346)	92,155,559
Net capital assets, being depreciated/amortized	105,320,436	63,972,642	138,448	169,154,630
Net governmental capital assets	$ 109,673,791	$ 63,972,642	$ 138,448	$ 173,507,985

Depreciation/amortization expense for the fiscal year ended June 30, 2026 amounted to $7,753,655. The District allocated depreciation/amortization to the various activities as follows:

Instruction	$ 6,873
Support	3,165,188
Community service	366
Unallocated	4,581,228
	$ 7,753,655

NOTE 5 - LONG-TERM OBLIGATIONS

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

The following is a summary of governmental long-term obligations for the District for the year ended June 30, 2026:

	Compensated Absences and Other Benefits*	General Obligation Bonds	Direct Borrowings and Direct Placements	Total
Balance July 1, 2025	$ 3,969,659	$ 89,199,252	$ 140,663	$ 93,309,574
Additions	27,697	96,401,460	-	96,429,157
Deletions	-	(8,245,689)	(61,565)	(8,307,254)
Balance June 30, 2026	3,997,356	177,355,023	79,098	181,431,477
Due within one year	(195,004)	(3,795,000)	(52,020)	(4,042,024)
Due in more than year	$ 3,802,352	$ 173,560,023	$ 27,078	$ 177,389,453

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

Long-term obligations currently outstanding is as follows:

General Obligation Bonds	
2023 Bond (Series I) due in annual installments of $165,000 to $470,000 through May 1, 2043 with interest at 5% to 4%.	$ 5,670,000
2023 Bond (Series II) due in annual installments of $750,000 to $4,560,000 through May 1, 2054 with interest at 5%.	68,890,000
2023 Bond (Series III) due in annual installments of $150,000 to $5,560,000 through November 1, 2055 with interest at 5%.	89,730,000
Premium on bonds	13,065,023
Total general obligation debt	177,355,023

NOTE 5 - LONG-TERM OBLIGATIONS

Direct Borrowings and Direct Placement	
Copier leases due in monthly installments ranging from $3,059 to $4,695, including an implied interest rate of 4.00%. The leases expire at various dates through March 2028.	$ 79,098
Compensated Absences	
Obligation under contract for compensated absences and other benefits.	3,997,356
Total general long-term obligations	$ 181,431,477

The District's outstanding notes from direct borrowings and direct placements related to governmental activities of $79,098 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

The annual requirements to amortize debt outstanding as of June 30, 2026, including interest payments are as follows:

	General Obligation Bonds		Direct Borrowings and Direct Placements			
Year Ending June 30,	Principal	Interest	Principal	Interest	Compensated Absences and Other Benefits	Total
2027	$ 3,795,000	$ 8,885,163	$ 52,020	$ 2,181	$ -	$ 12,734,364
2028	5,015,000	7,985,050	27,078	452	-	13,027,580
2029	1,120,000	7,734,300	-	-	-	8,854,300
2030	1,720,000	7,678,300	-	-	-	9,398,300
2031	1,845,000	7,592,300	-	-	-	9,437,300
2032 - 2036	14,365,000	36,257,550	-	-	-	50,622,550
2037 - 2041	25,970,000	31,628,550	-	-	-	57,598,550
2042 - 2046	33,160,000	24,372,850	-	-	-	57,532,850
2047 - 2051	40,600,000	15,416,250	-	-	-	56,016,250
2052 - 2056	36,700,000	4,906,500	-	-	-	41,606,500
	164,290,000	152,456,813	79,098	2,633	-	316,828,544
Premium on bonds	13,065,023	-	-	-	-	13,065,023
Compensated absences and other benefits	-	-	-	-	3,997,356	3,997,356
	$ 177,355,023	$ 152,456,813	$ 79,098	$ 2,633	$ 3,997,356	$ 333,890,923

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

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

Receivable Fund		Payable Fund	
General Fund	$ 33,609	2023 Capital Projects Fund (Series I, II and III)	$ 731,044
2024 Debt Retirement Fund	237,238	Nonmajor Governmental Funds	1,264,669
Nonmajor Governmental Funds	262,778		
Total	$ 533,625		$ 1,995,713

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 systems, and (3) payments between funds are made.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

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

Benefits Provided - Overall

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

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

Benefits Provided - Pension

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

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (continued)

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.

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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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.

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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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%

The District's pension contributions for the year ended June 30, 2026 were equal to the required contribution total. Total pension contributions were approximately $14,345,000. Of the total pension contributions approximately $13,827,000 was contributed to fund the Defined Benefit Plan and approximately $518,000 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 $927,000. Of the total OPEB contributions approximately $608,000 was contributed to fund the Defined Benefit Plan and approximately $319,000 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).

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

Pension Liabilities

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	0.32100%	0.31549%
Net pension liability for the District	$ 64,305,478	$ 77,238,939

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

For the year ended June 30, 2026, the District recognized pension expense of $3,914,979.

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
Change of assumptions	$ 2,308,108	$ 3,398,699
Net difference between projected and actual earnings on pension plan investments	-	15,367,632
Differences between expected and actual experience	2,490,736	572,764
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,472,403	632,361
Reporting Unit's contributions subsequent to the measurement date	12,717,177	-
	$ 18,988,424	$ 19,971,456

$12,717,177, 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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

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	$ (528,506)
2028	(6,691,687)
2029	(5,032,312)
2030	(1,447,704)

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

OPEB Liabilities (Assets)

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 other postemployment benefit liability	$ 9,360,649,860	$ 9,991,545,923
Plan fiduciary net position	$ 15,439,767,833	$ 14,295,943,589
Net other postemployment benefit asset	$ (6,079,117,973)	$ (4,304,397,666)
Proportionate share	0.33014%	0.31491%
Net other postemployment benefit asset for the District	$ (20,069,900)	$ (13,555,098)

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

For the year ended June 30, 2026, the District recognized OPEB benefit of $6,456,788.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

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	$ 2,678,543	$ 212,859
Net difference between projected and actual earnings on OPEB plan investments	-	2,820,259
Differences between expected and actual experience	-	13,740,805
Changes in proportion and differences between employer contributions and proportionate share of contributions	139,096	199,275
Reporting Unit's contributions subsequent to the measurement date	522,224	-
	$ 3,339,863	$ 16,973,198

$522,224, 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.

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	$ (3,770,339)
2028	(3,683,902)
2029	(3,432,350)
2030	(2,245,985)
2031	(784,195)
2032	(238,788)

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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.

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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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.

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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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	$ 101,477,591	$ 64,305,478	$ 33,345,866

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

	Other Postemployment Benefit		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	$ (17,291,489)	$ (20,069,900)	$ (22,501,612)

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 Benefit		
	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	$ (22,479,423)	$ (20,069,900)	$ (17,539,981)

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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 8 - COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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 believes such amounts, if any, would be immaterial.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. With regard to injuries to employees, the District participates in an association of educational institutions within the State of Michigan for self-insuring workers disability compensation. The association is considered a public entity risk sharing pool. The District pays annual premiums to the association for its workers' disability compensation coverage. In the event the association's total claims and expenses for a policy year exceeded the total normal annual premiums for said years, all members of the policy year may be subject to special assessment to make up the difference. The association 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. This program is recorded in the general fund. The District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance.

Self-funded dental and vision insurance programs were approved by the Board of Education and implemented for support personnel. All plans have limits on amounts for expenditures that will be reimbursed. This program is recorded in the general fund. Any liability for incurred and unreported claims is not considered material.

Settlements have not exceeded coverage for each of the past three fiscal years. Changes in the balances of claims liabilities during the past 3 years have been immaterial.

NOTE 10 - TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2026 are as follows:

	Transfers in			
	General Fund	2024 Debt Retirement Fund	Nonmajor Governmental Funds	Total
Transfers out				
General fund	$ -	$ -	$ 17,035	$ 17,035
Nonmajor Governmental Funds	80,000	436,462	16,170	532,632
Total	$ 80,000	$ 436,462	$ 33,205	

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

Further, during the year ended June 30, 2026, Okemos Public Schools made the following one-time transfers:

- A transfer of $80,000 from the food service fund to the general fund for indirect cost expenditure reimbursement.
- A transfer of $17,035 from the general fund to various non major funds for capital and bond related expenditures.
- A transfer of $452,632 from the 2019 and 2021 debt funds to the 2023 and 2024 debt retirement funds for principal and interest payments.

NOTE 11 - TAX ABATEMENTS

The District is required to disclose significant tax abatements as required by GASB Statement No. 77, *Tax Abatements*.

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions, Brownfield Redevelopment Agreements, and Payments in Lieu of Taxes (PILOT) granted by 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
Meridian Township	$ 128,956

NOTE 11 - TAX ABATEMENTS (continued)

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's section 22 funding of the State School Aid Act.

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENT

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 13 - CHANGE IN ACCOUNTING PRINCIPLES

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.

NOTE 14 - UNUSUAL OR INFREQUENT ITEM

The District received $443,994 in insurance reimbursements for various buildings and vehicles owned by the District during the year ended June 30, 2026. The District incurred expenses to repair and replace the various buildings and vehicles in the amount of $443,994.

NOTE 15 - ADJUSTMENTS TO BEGINNING FUND BALANCES

During fiscal year 2026, changes to beginning fund balance are as follows:

	General Fund	2023 Capital Projects Fund (Series I, II and III)	2024 Debt Retirement	Nonmajor Governmental Funds	Governmental Activities
Fund balance, as previously reported	$ 9,225,700	$ 38,056,005	$ -	$ 6,625,168	$ 53,906,873
Change from nonmajor to major fund	-	-	380,239	(380,239)	-
Fund balance, as restated	$ 9,225,700	$ 38,056,005	$ 380,239	$ 6,244,929	$ 53,906,873

NOTE 16 - SUBSEQUENT EVENT

Subsequent to year end, the District issued state aid revenue notes in the amount of $3,500,000.

REQUIRED SUPPLEMENTARY INFORMATION

OKEMOS PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Variance with Original and Final Budget	Actual	Variance with Final Budget and Actual
REVENUES					
Local sources	$ 18,587,468	$ 19,782,599	$ 1,195,131	$ 19,760,228	$ (22,371)
State sources	48,870,277	52,085,635	3,215,358	51,533,580	(552,055)
Federal sources	385,343	529,913	144,570	530,266	353
TOTAL REVENUES	67,843,088	72,398,147	4,555,059	71,824,074	(574,073)
EXPENDITURES					
Current					
Instruction					
Basic programs	31,229,556	33,037,143	(1,807,587)	32,835,470	201,673
Added needs	9,056,391	9,843,896	(787,505)	9,286,324	557,572
Total instruction	40,285,947	42,881,039	(2,595,092)	42,121,794	759,245
Supporting services					
Pupil	5,257,235	5,671,021	(413,786)	5,742,719	(71,698)
Instructional staff	2,915,815	3,223,092	(307,277)	3,200,437	22,655
General administration	804,964	907,292	(102,328)	897,874	9,418
School administration	3,789,707	4,121,883	(332,176)	4,094,414	27,469
Business	1,003,953	1,105,936	(101,983)	1,071,985	33,951
Operations and maintenance	5,597,090	6,856,133	(1,259,043)	6,560,594	295,539
Transportation	1,378,620	1,557,724	(179,104)	1,603,770	(46,046)
Central	2,290,356	2,326,653	(36,297)	2,195,081	131,572
Athletics	946,815	978,275	(31,460)	994,516	(16,241)
Total supporting services	23,984,555	26,748,009	(2,763,454)	26,361,390	386,619
Community services	3,570,970	3,759,518	(188,548)	3,435,525	323,993
Capital outlay	-	-	-	2,180	(2,180)
Debt Service					
Principal repayment	63,448	61,565	1,883	61,565	-
Interest	7,685	4,679	3,006	4,679	-
Total debt service	71,133	66,244	4,889	66,244	-
TOTAL EXPENDITURES	67,912,605	73,454,810	(5,542,205)	71,987,133	1,467,677
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(69,517)	(1,056,663)	(987,146)	(163,059)	893,604
OTHER FINANCING SOURCES (USES)					
Transfers in	80,000	80,000	-	80,000	-
Transfers out	-	-	-	(17,035)	(17,035)
TOTAL OTHER FINANCING SOURCES (USES)	80,000	80,000	-	62,965	(17,035)
UNUSUAL OR INFREQUENT ITEM - INSURANCE REIMBURSEMENTS					
Reimbursement revenues	-	343,845	343,845	443,994	100,149
Expenses	-	(343,845)	(343,845)	(443,994)	(100,149)
TOTAL UNUSUAL OR INFREQUENT ITEM	-	-	-	-	-
NET CHANGE IN FUND BALANCE	$ 10,483	$ (976,663)	$ (987,146)	(100,094)	$ 876,569
FUND BALANCE					
Beginning of year				9,225,700	
End of year				$ 9,125,606	

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Reporting Unit's proportion of net pension liability (%)	0.32100%	0.31549%	0.31556%	0.31377%	0.31378%	0.30913%	0.30204%	0.29781%	0.29446%	0.28402%
Reporting Unit's proportionate share of net pension	$ 64,305,478	$ 77,238,939	$ 102,134,550	$ 118,003,532	$ 73,405,268	$ 106,189,243	$ 100,024,383	$ 89,526,314	$ 76,307,692	$ 70,861,622
Reporting Unit's covered-employee payroll	$ 35,619,132	$ 33,323,639	$ 31,537,299	$ 30,631,496	$ 28,065,403	$ 27,818,733	$ 26,737,156	$ 25,503,566	$ 25,027,904	$ 24,336,762
Reporting Unit's proportionate share of net pension as a percentage of its covered-employee payroll	180.54%	231.78%	323.85%	385.24%	261.55%	381.72%	374.10%	351.03%	304.89%	291.17%
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%

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contributions	$ 13,827,064	$ 14,055,687	$ 13,093,983	$ 14,322,599	$ 10,303,088	$ 9,079,868	$ 8,356,210	$ 7,889,595	$ 7,849,263	$ 6,885,428
Contributions in relation to statutorily required contributions	13,827,064	14,055,687	13,093,983	14,322,599	10,303,088	9,079,868	8,356,210	7,889,595	7,849,263	6,885,428
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 35,644,850	$ 34,628,310	$ 32,882,072	$ 30,975,699	$ 29,284,255	$ 27,770,543	$ 27,754,219	$ 26,507,293	$ 25,450,771	$ 25,807,538
Contributions as a percentage of covered-employee payroll	38.79%	40.59%	39.82%	46.24%	35.18%	32.70%	30.11%	29.76%	30.84%	26.68%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability (%)	0.33014%	0.31491%	0.31511%	0.31504%	0.31016%	0.31348%	0.30542%	0.29991%	0.29436%
Reporting Unit's proportionate share of net OPEB (asset) liability	$ (20,069,900)	$ (13,555,098)	$ (1,782,556)	$ 6,672,724	$ 4,734,265	$ 16,794,102	$ 21,922,632	$ 23,839,817	$ 26,066,532
Reporting Unit's covered-employee payroll	$ 35,619,132	$ 33,323,639	$ 31,537,299	$ 30,631,496	$ 28,065,403	$ 27,818,733	$ 26,737,156	$ 25,503,566	$ 25,027,904
Reporting Unit's proportionate share of net OPEB liability (asset) as a percentage of its covered-employee payroll	56.35%	40.68%	5.65%	21.78%	16.87%	60.37%	81.99%	93.48%	104.15%
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)	164.94%	143.08%	105.04%	83.09%	87.33%	59.44%	48.48%	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.

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	$ 608,105	$ 181,319	$ 2,825,377	$ 2,540,790	$ 2,402,148	$ 2,377,660	$ 2,356,668	$ 2,182,909	$ 2,217,970
Contributions in relation to statutorily required contributions	608,105	181,319	2,825,377	2,540,790	2,402,148	2,377,660	2,356,668	2,182,909	2,217,970
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 35,644,850	$ 34,628,310	$ 32,882,072	$ 30,975,699	$ 29,284,255	$ 27,770,543	$ 27,754,219	$ 26,507,293	$ 25,450,771
Contributions as a percentage of covered-employee payroll	1.71%	0.52%	8.59%	8.20%	8.20%	8.56%	8.49%	8.24%	8.71%

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.

OKEMOS PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE 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 (executory) 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

	Variance	Explanation
REVENUES		
Local sources	$ 1,195,131	Intermediate Districts and Other Revenue increased due to additional Act 18 special education millage revenue received from the Ingham Intermediate School District. The additional revenue was not fully known when the original budget was adopted and was incorporated into the final budget once the District received updated allocation information. In addition, original revenue projections were based on estimated property valuations. The budget was updated to incorporate current-year actual taxable values during the year, which were unknown at the time the original budget was adopted. This has an inverse relationship with State Aid Foundation Allowance. The increase in local property tax revenues resulting from higher taxable values triggered an equal, automatic reduction in state foundation distributions. Because these two funding streams are perfectly offsetting, the budgetary adjustments had a net-zero impact on the District's total budgeted revenues.
State sources	3,215,358	During the fiscal year, the District amended its original General Fund budget to reflect actual legislative, local, and programmatic changes. Original property tax revenue projections were updated using finalized current-year taxable values. Under the State of Michigan school financing structure, local property taxes and the State Aid Foundation Allowance share an inverse relationship. The local property tax revenue increases were offset by a matching reduction in state foundation distributions, resulting in a net-zero impact on the total revenue budget. Legislative Delays in State Aid: The final State School Aid budget was adopted by state legislators in October 2025. This occurred more than three months after the District's statutory deadline to adopt its original budget. Revisions were implemented mid-year to align with the final State School Aid Act. One example is the foundation allowance variance, the original budget was built on an estimated per-pupil foundation increase of $300. The actual foundation allowance increase was finalized at $442 per pupil. This larger per-pupil increase, combined with additional categorical revenues and new grant funding, led to a net increase in total budgeted State Sources Revenue. Following the development of the original budget, the District expanded operations by opening two (2) additional Great Start Readiness Program (GSRP) classrooms. Because GSRP allocations are funded by the state based on active slot availability, the corresponding revenue increases were integrated across subsequent budget revisions.

NOTE 2 - BUDGETARY COMPARISON (continued)

Significant Variances Between Original and Final Budget (continued)

	Variance	Explanation
EXPENDITURES		
Instruction - Basic	$ (1,807,587)	At the time the original General Fund budget was developed and legally adopted, collective bargaining agreements with District personnel unions were not finalized. To comply with statutory budget adoption deadlines, original expenditure appropriations were built using preliminary personnel cost projections. Settlement terms for the District's largest bargaining group, the Okemos Education Association, were not finalized until after the final amended budget was adopted. To account for this ongoing process, the final amended budget incorporated an estimate consisting of step advancements, a 1.5% base wage increase, and all corresponding retirement and FICA payroll tax obligations. In addition to compensation adjustments, the final amended budget was updated to incorporate various grants. These grant awards were unknown at the time of the original budget adoption and were added throughout the school year as funding was officially secured, increasing both budgeted revenues and matching expenditure appropriations.
Instruction - Added needs	(787,505)	At the time the original General Fund budget was developed and legally adopted, collective bargaining agreements with District personnel unions were not finalized. To comply with statutory budget adoption deadlines, original expenditure appropriations were built using preliminary personnel cost projections. Settlement terms for the District's largest bargaining group, the Okemos Education Association, were not finalized until after the final amended budget was adopted. To account for this ongoing process, the final amended budget incorporated an estimate consisting of step advancements, a 1.5% base wage increase, and all corresponding retirement and FICA payroll tax obligations. In addition to compensation adjustments, the final amended budget was updated to incorporate various grants. These grant awards were unknown at the time of the original budget adoption and were added throughout the school year as funding was officially secured, increasing both budgeted revenues and matching expenditure appropriations.
Support - Pupil	(413,786)	At the time the original General Fund budget was developed and legally adopted, collective bargaining agreements with District personnel unions were not finalized. To comply with statutory budget adoption deadlines, original expenditure appropriations were built using preliminary personnel cost projections. Settlement terms for the District's largest bargaining group, the Okemos Education Association, were not finalized until after the final amended budget was adopted. To account for this ongoing process, the final amended budget incorporated an estimate consisting of step advancements, a 1.5% base wage increase, and all corresponding retirement and FICA payroll tax obligations. In addition to compensation adjustments, the final amended budget was updated to incorporate various grants. These grant awards were unknown at the time of the original budget adoption and were added throughout the school year as funding was officially secured, increasing both budgeted revenues and matching expenditure appropriations.

NOTE 2 - BUDGETARY COMPARISON (continued)

Significant Variances Between Original and Final Budget (continued)

	Variance	Explanation
Support - Operations and maintenance	$ (1,259,043)	Operations and maintenance utility costs experienced an unbudgeted increase due to an unseasonably harsh winter. Extended periods of extreme sub-zero temperatures required higher-than-normal natural gas and electrical consumption to maintain safe building temperatures across District facilities. Contracted services expenditures tracked above initial expectations due to unexpected building situations. These urgent structural demands required emergency professional services to remediate unforeseen facility failures, ensuring campus safety and preventing operational disruptions. Capital outlay and operations maintenance lines reflected budgeted increases tied directly to the Great Start Readiness Program (GSRP). These costs were officially incorporated into the final amended budget once the District received its finalized state funding allocations for the fiscal year. The budgeted modifications targeted specific playground infrastructure upgrades and site safety improvements required to support the expanded early-childhood program classrooms.
UNUSUAL OR INFREQUENT ITEM - INSURANCE REIMBURSEMENTS		
Reimbursement revenues	343,845	The District had multiple insurance claims that were not anticipated at the time the original budget was developed.

Significant Variances Between Final Budget and Actual

	Variance	Explanation
REVENUES		
State sources	$ (552,055)	The District was awarded numerous state grants designed to span multiple fiscal periods. While the entirety of these multi-year allocations was recognized and appropriated in the final amended budget, actual expenditures were restricted to current-year operational expenses. Unexpended grant allocations at fiscal year-end were not lost or forfeited; instead, these remaining resources have been legally carried forward into the next fiscal period to match future project deliverables. Consequently, actual year-end expenditures tracked significantly below the final authorized budget because project timelines straddled two distinct budget cycles.

NOTE 2 - BUDGETARY COMPARISON (continued)

Significant Variances Between Final Budget and Actual (continued)

	Variance	Explanation
EXPENDITURES		
Instruction - Added needs	$ 557,572	The District was awarded numerous state grants designed to span multiple fiscal periods. While the entirety of these multi-year allocations was recognized and appropriated in the final amended budget, actual expenditures were restricted to current-year operational expenses. Unexpended grant allocations at fiscal year-end were not lost or forfeited; instead, these remaining resources have been legally carried forward into the next fiscal period to match future project deliverables. Consequently, actual year-end expenditures tracked significantly below the final authorized budget because project timelines straddled two distinct budget cycles. Expenditure lines tracked below budgeted expectations due to an unexpected staff resignation occurring after the start of the school year. Because this vacancy involved a highly specialized, hard-to-fill position, the District was unable to secure a qualified replacement during the fiscal year. To ensure continuous student support, the District successfully restructured its internal delivery models to accommodate all eligible student needs. The resulting personnel vacancy generated an unspent expenditure variance across salary and benefit categories.

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.
- 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.

- 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

OKEMOS PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2026

	Special Revenue				
	Food Service Fund	Student/ School Activities Fund	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Funds
ASSETS					
Cash and cash equivalents	$ 606,713	$ 971,755	$ 130,275	$ 662,211	$ 2,370,954
Investments	-	-	-	4,219,979	4,219,979
Other receivables	11,262	-	-	625,000	636,262
Intergovernmental receivable	263,884	-	-	-	263,884
Due from other funds	237,012	-	8,732	17,034	262,778
Inventories	21,367	-	-	-	21,367
TOTAL ASSETS	$ 1,140,238	$ 971,755	$ 139,007	$ 5,524,224	$ 7,775,224
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 3,964	$ 7,158	$ -	$ 77,257	$ 88,379
Accrued salaries and related items	9,498	-	-	-	9,498
Accrued retirement	2,630	-	-	-	2,630
Due to other funds	-	136,292	-	1,128,377	1,264,669
Unearned revenue	114,365	-	-	-	114,365
TOTAL LIABILITIES	130,457	143,450	-	1,205,634	1,479,541
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	625,000	625,000
FUND BALANCES					
Nonspendable					
Inventories	21,367	-	-	-	21,367
Restricted for:					
Debt service	-	-	139,007	-	139,007
Capital projects	-	-	-	3,343,550	3,343,550
Food service	988,414	-	-	-	988,414
Committed for:					
Student/school activities	-	828,305	-	-	828,305
Assigned for:					
Capital projects	-	-	-	350,040	350,040
TOTAL FUND BALANCES	1,009,781	828,305	139,007	3,693,590	5,670,683
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,140,238	$ 971,755	$ 139,007	$ 5,524,224	$ 7,775,224

OKEMOS PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2026

	Special Revenue				
	Food Service Fund	Student/ School Activities Fund	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Funds
REVENUES					
Local sources					
Property taxes	$ -	$ -	$ 431,625	$ 1,685,605	$ 2,117,230
Investment earnings	15,082	-	7,926	141,413	164,421
Food service sales	380,832	-	-	-	380,832
Student/school activity income	-	1,269,778	-	-	1,269,778
Other	-	-	-	139,670	139,670
Total local sources	395,914	1,269,778	439,551	1,966,688	4,071,931
State sources	1,485,328	-	5,125	20,194	1,510,647
Federal sources	863,702	-	-	-	863,702
TOTAL REVENUES	2,744,944	1,269,778	444,676	1,986,882	6,446,280
EXPENDITURES					
Food service	2,828,937	-	-	-	2,828,937
Student/school activities	-	1,267,853	-	-	1,267,853
Capital outlay	49,517	-	-	1,998,344	2,047,861
Debt service:					
Principal repayment	-	-	125,000	-	125,000
Interest	-	-	250,050	-	250,050
Miscellaneous	-	-	1,398	-	1,398
TOTAL EXPENDITURES	2,878,454	1,267,853	376,448	1,998,344	6,521,099
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(133,510)	1,925	68,228	(11,462)	(74,819)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	16,170	17,035	33,205
Transfers out	(80,000)	-	(452,632)	-	(532,632)
TOTAL OTHER FINANCING SOURCES (USES)	(80,000)	-	(436,462)	17,035	(499,427)
NET CHANGE IN FUND BALANCES	(213,510)	1,925	(368,234)	5,573	(574,246)
FUND BALANCES					
Beginning of year, as previously presented	1,223,291	826,380	887,480	3,688,017	6,625,168
Adjustments to beginning fund balances	-	-	(380,239)	-	(380,239)
Beginning of year, as restated	1,223,291	826,380	507,241	3,688,017	6,244,929
End of year	$ 1,009,781	$ 828,305	$ 139,007	$ 3,693,590	$ 5,670,683

OKEMOS PUBLIC SCHOOLS
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2026
(with comparative totals for the year ended 2025)

	Capital Projects Fund	Sinking Fund	Totals 2026	Totals 2025
ASSETS				
Cash and cash equivalents	$ 458,006	$ 204,205	$ 662,211	$ 703,835
Investments	-	4,219,979	4,219,979	3,171,215
Other receivables	625,000	-	625,000	-
Due from other funds	17,034	-	17,034	17,035
TOTAL ASSETS	$ 1,100,040	$ 4,424,184	$ 5,524,224	$ 3,892,085
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ 77,257	$ 77,257	$ 54,587
Due to other funds	-	1,128,377	1,128,377	149,481
TOTAL LIABILITIES	-	1,205,634	1,205,634	204,068
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	625,000	-	625,000	-
FUND BALANCES				
Restricted	125,000	3,218,550	3,343,550	3,375,151
Assigned	350,040	-	350,040	312,866
TOTAL FUND BALANCES	475,040	3,218,550	3,693,590	3,688,017
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 1,100,040	$ 4,424,184	$ 5,524,224	$ 3,892,085

OKEMOS PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2026
(with comparative totals for the year ended 2025)

	Capital Projects Fund	Sinking Fund	Totals 2026	Totals 2025
REVENUES				
Local sources				
Property taxes	$ -	$ 1,685,605	$ 1,685,605	$ 1,620,367
Investment earnings	5,472	135,941	141,413	153,783
Other	139,670	-	139,670	30,012
Total local sources	145,142	1,821,546	1,966,688	1,804,162
State sources	-	20,194	20,194	12,589
TOTAL REVENUES	145,142	1,841,740	1,986,882	1,816,751
EXPENDITURES				
Capital outlay	3	1,998,341	1,998,344	1,437,090
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	145,139	(156,601)	(11,462)	379,661
OTHER FINANCING SOURCES (USES)				
Transfers in	17,035	-	17,035	17,035
TOTAL OTHER FINANCING SOURCES (USES)	17,035	-	17,035	17,035
NET CHANGE IN FUND BALANCES	162,174	(156,601)	5,573	396,696
FUND BALANCES				
Beginning of year	312,866	3,375,151	3,688,017	3,291,321
End of year	$ 475,040	$ 3,218,550	$ 3,693,590	$ 3,688,017

OKEMOS PUBLIC SCHOOLS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 2026
(with comparative totals for the year ended 2025)

	2023 Debt Retirement	Totals 2026	Totals 2025
ASSETS			
Cash and cash equivalents	$ 130,275	$ 130,275	$ 867,303
Other receivables	-	-	8,218
Intergovernmental receivables	-	-	8,443
Due from other funds	8,732	8,732	3,516
TOTAL ASSETS	$ 139,007	$ 139,007	$ 887,480
FUND BALANCES			
Restricted for debt service	$ 139,007	$ 139,007	$ 887,480

OKEMOS PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2026
(with comparative totals for the year ended 2025)

	2019 Debt Retirement	2021 Refunding Debt Service Fund	2023 Debt Retirement	Formally Nonmajor 2024 Debt Retirement	Totals 2026	Totals 2025
REVENUES						
Local sources						
Property taxes	$ 21	$ 8	$ 431,596	$ -	$ 431,625	$ 11,621,324
Investment earnings	775	456	6,695	-	7,926	98,420
Total local sources	796	464	438,291	-	439,551	11,719,744
State sources	-	-	5,125	-	5,125	89,461
TOTAL REVENUES	796	464	443,416	-	444,676	11,809,205
EXPENDITURES						
Principal repayment	-	-	125,000	-	125,000	7,315,000
Interest	-	-	250,050	-	250,050	4,356,244
Miscellaneous	184	184	1,030	-	1,398	1,625
TOTAL EXPENDITURES	184	184	376,080	-	376,448	11,672,869
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	612	280	67,336	-	68,228	136,336
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	16,170	-	16,170	-
Transfers out	(286,008)	(166,624)	-	-	(452,632)	-
TOTAL OTHER FINANCING SOURCES (USES)	(286,008)	(166,624)	16,170	-	(436,462)	-
NET CHANGE IN FUND BALANCES	(285,396)	(166,344)	83,506	-	(368,234)	136,336
FUND BALANCES						
Beginning of year, as previously presented	285,396	166,344	55,501	380,239	887,480	751,144
Adjustments to beginning fund balances	-	-	-	(380,239)	(380,239)	-
Beginning of year, as restated	285,396	166,344	55,501	-	507,241	-
End of year	$ -	$ -	$ 139,007	$ -	$ 139,007	$ 887,480

OKEMOS PUBLIC SCHOOLS
GENERAL LONG-TERM DEBT
BONDED DEBT SERVICE - PRINCIPAL AND INTEREST REQUIREMENTS
YEAR ENDED JUNE 30, 2026

Date	Name	Kind	Original Issue
02/09/23	2023 School building and site bonds (Series I)	General obligation	$ 9,200,000

Purpose: The proceeds from the bonds will be used for the purpose of erecting, furnishing and equipping additions to a school building; erecting, furnishing and equipping a new middle school building as an addition to Chippewa Middle School; erecting, furnishing and equipping additions to school buildings; remodeling, equipping and re-equipping school buildings for instructional technology; purchasing school buses; and preparing, developing, improving and equipping playgrounds, play fields, athletic fields and facilities and sites.

Debt Service Fiscal Year June 30th	Interest Rate	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total
2027	5.00%	$ 165,000	$ 121,900	$ 121,900	$ 408,800
2028	5.00%	190,000	117,775	117,775	425,550
2029	5.00%	220,000	113,025	113,025	446,050
2030	5.00%	245,000	107,525	107,525	460,050
2031	5.00%	270,000	101,400	101,400	472,800
2032	5.00%	295,000	94,650	94,650	484,300
2033	5.00%	315,000	87,275	87,275	489,550
2034	4.00%	330,000	79,400	79,400	488,800
2035	4.00%	345,000	72,800	72,800	490,600
2036	4.00%	355,000	65,900	65,900	486,800
2037	4.00%	370,000	58,800	58,800	487,600
2038	4.00%	390,000	51,400	51,400	492,800
2039	4.00%	405,000	43,600	43,600	492,200
2040	4.00%	420,000	35,500	35,500	491,000
2041	4.00%	435,000	27,100	27,100	489,200
2042	4.00%	450,000	18,400	18,400	486,800
2043	4.00%	470,000	9,400	9,400	488,800
		$ 5,670,000	$ 1,205,850	$ 1,205,850	$ 8,081,700

OKEMOS PUBLIC SCHOOLS
GENERAL LONG-TERM DEBT
BONDED DEBT SERVICE - PRINCIPAL AND INTEREST REQUIREMENTS
YEAR ENDED JUNE 30, 2026

Date	Name	Kind	Original Issue
05/02/24	2023 School building and site bonds (Series II)	General obligation	$ 76,980,000

Purpose: The proceeds from the bonds will be used for the purpose of erecting, furnishing and equipping additions to a school building; erecting, furnishing and equipping a new middle school building as an addition to Chippewa Middle School; erecting, furnishing and equipping additions to school buildings; remodeling, equipping and re-equipping school buildings for instructional technology; purchasing school buses; and preparing, developing, improving and equipping playgrounds, play fields, athletic fields and facilities and sites.

Debt Service Fiscal Year June 30th	Interest Rate	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total
2027	5.00%	$ 2,285,000	$ 1,722,250	$ 1,722,250	$ 5,729,500
2028	5.00%	2,555,000	1,665,125	1,665,125	5,885,250
2029	5.00%	750,000	1,601,250	1,601,250	3,952,500
2030	5.00%	825,000	1,582,500	1,582,500	3,990,000
2031	5.00%	850,000	1,561,875	1,561,875	3,973,750
2032	5.00%	925,000	1,540,625	1,540,625	4,006,250
2033	5.00%	1,035,000	1,517,500	1,517,500	4,070,000
2034	5.00%	1,120,000	1,491,625	1,491,625	4,103,250
2035	5.00%	1,220,000	1,463,625	1,463,625	4,147,250
2036	5.00%	1,510,000	1,433,125	1,433,125	4,376,250
2037	5.00%	1,865,000	1,395,375	1,395,375	4,655,750
2038	5.00%	2,075,000	1,348,750	1,348,750	4,772,500
2039	5.00%	2,195,000	1,296,875	1,296,875	4,788,750
2040	5.00%	2,300,000	1,242,000	1,242,000	4,784,000
2041	5.00%	2,415,000	1,184,500	1,184,500	4,784,000
2042	5.00%	2,540,000	1,124,125	1,124,125	4,788,250
2043	5.00%	2,665,000	1,060,625	1,060,625	4,786,250
2044	5.00%	2,800,000	994,000	994,000	4,788,000
2045	5.00%	2,935,000	924,000	924,000	4,783,000
2046	5.00%	3,085,000	850,625	850,625	4,786,250
2047	5.00%	3,240,000	773,500	773,500	4,787,000
2048	5.00%	3,400,000	692,500	692,500	4,785,000
2049	5.00%	3,570,000	607,500	607,500	4,785,000
2050	5.00%	3,750,000	518,250	518,250	4,786,500
2051	5.00%	3,940,000	424,500	424,500	4,789,000
2052	5.00%	4,135,000	326,000	326,000	4,787,000
2053	5.00%	4,345,000	222,625	222,625	4,790,250
2054	5.00%	4,560,000	114,000	114,000	4,788,000
		$ 68,890,000	$ 30,679,250	$ 30,679,250	$ 130,248,500

OKEMOS PUBLIC SCHOOLS
GENERAL LONG-TERM DEBT
BONDED DEBT SERVICE - PRINCIPAL AND INTEREST REQUIREMENTS
YEAR ENDED JUNE 30, 2026

Date	Name	Kind	Original Issue
03/04/26	2023 School building and site bonds (Series III)	General obligation	$ 89,730,000

Purpose:

The proceeds from the bonds will be used for the purpose of erecting, furnishing and equipping additions to a school building; erecting, furnishing and equipping a new middle school building as an addition to Chippewa Middle School; erecting, furnishing and equipping additions to school buildings; remodeling, equipping and re-equipping school buildings for instructional technology; purchasing school buses; and preparing, developing, improving and equipping playgrounds, play fields, athletic fields and facilities and sites.

Debt Service Fiscal Year June 30th	Interest Rate	Principal Due May 1	Principal Due November 1	Interest Due May 1	Interest Due November 1	Total
2027	5.00%	$ 1,345,000	$ -	$ 2,243,250	$ 2,953,613	$ 6,541,863
2028	5.00%	2,270,000	-	2,209,625	2,209,625	6,689,250
2029	5.00%	150,000	-	2,152,875	2,152,875	4,455,750
2030	5.00%	650,000	-	2,149,125	2,149,125	4,948,250
2031	5.00%	725,000	-	2,132,875	2,132,875	4,990,750
2032	5.00%	1,005,000	-	2,114,750	2,114,750	5,234,500
2033	5.00%	1,085,000	-	2,089,625	2,089,625	5,264,250
2034	5.00%	1,365,000	-	2,062,500	2,062,500	5,490,000
2035	5.00%	1,655,000	-	2,028,375	2,028,375	5,711,750
2036	5.00%	1,805,000	-	1,987,000	1,987,000	5,779,000
2037	5.00%	1,985,000	-	1,941,875	1,941,875	5,868,750
2038	5.00%	2,285,000	-	1,892,250	1,892,250	6,069,500
2039	5.00%	2,685,000	-	1,835,125	1,835,125	6,355,250
2040	5.00%	2,995,000	-	1,768,000	1,768,000	6,531,000
2041	5.00%	3,150,000	-	1,693,125	1,693,125	6,536,250
2042	5.00%	3,300,000	-	1,614,375	1,614,375	6,528,750
2043	5.00%	3,460,000	-	1,531,875	1,531,875	6,523,750
2044	5.00%	3,635,000	-	1,445,375	1,445,375	6,525,750
2045	5.00%	3,815,000	-	1,354,500	1,354,500	6,524,000
2046	5.00%	4,005,000	-	1,259,125	1,259,125	6,523,250
2047	5.00%	4,205,000	-	1,159,000	1,159,000	6,523,000
2048	5.00%	4,410,000	-	1,053,875	1,053,875	6,517,750
2049	5.00%	4,625,000	-	943,625	943,625	6,512,250
2050	5.00%	4,825,000	-	828,000	828,000	6,481,000
2051	5.00%	4,635,000	-	707,375	707,375	6,049,750
2052	5.00%	4,440,000	-	591,500	591,500	5,623,000
2053	5.00%	4,230,000	-	480,500	480,500	5,191,000
2054	5.00%	4,015,000	-	374,750	374,750	4,764,500
2055	5.00%	5,415,000	-	274,375	274,375	5,963,750
2056	5.00%	-	5,560,000	-	139,000	5,699,000
		$ 84,170,000	$ 5,560,000	$ 43,918,625	$ 44,767,988	$ 178,416,613

Maner Costerisan

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

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

517.323.7500

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
Okemos Public Schools

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Okemos Public Schools as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Okemos Public Schools' basic financial statements and have issued our report thereon dated October 6, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Maner Costerisan PC

Lansing, Michigan
October 6, 2026

Session Outcomes: What will we do this evening?

- Build understanding of Portraits
- Clarify why Okemos is creating a Portrait of a Learner
- Collect initial input for Okemos' Portrait of a Learner

Okemos Portrait of a Learner
Community Feedback Sessions
October 27, 6-8PM | October 28, 6-8 PM
***Anticipated* Agenda**

- Welcome and Introductions
- What is a Portrait of a Learner?
- Why does Okemos Public Schools need a Portrait of a Learner?
- Collect your initial input and ideas for Okemos' Portrait
- Closure and next steps

Portrait of a Learner/Graduate Sessions
Okemos Board of Education
May 18, 8:00-9:00 | 2nd Session TBD

Outcomes for both sessions

- **Establish and nourish** our learning environment
- **Build** background knowledge of Portraits of a Learner/Graduate:
  - What are they?
  - Why do they matter?
  - How are they designed?
- **Begin to understand** Portrait quality criteria
- **Begin to articulate** this team's WHY for the Okemos Portrait
- **Share** reflections and curiosities with colleagues

***Anticipated* Agenda** **2nd Session, October 26th**		
AGENDA ITEMS	**OUTCOME**	**RESOURCES** **To Be Linked**
• Make Connections • Set intentions • Clarify the agenda • What happened last time?	**Nourish** our learning environment	Okemos BOARD Portrait S...
Exploration of: • **How** are they designed?	**Build** background knowledge of Portraits of a Learner/Graduate **Share** reflections and curiosities with colleagues	Slides
• Collaborative protocols and discussion	**Begin to articulate** this team's WHY for the Okemos Portrait **Share** reflections and curiosities with colleagues	

Closure • Preview next steps • Collect feedback and celebrations	**Nourish** our learning environment	Okemos BOARD Portrait S...

***Anticipated* Agenda** **May 18, 8:00-9:00**		
AGENDA ITEMS	**OUTCOME**	**RESOURCES**
• Make connections • Clarify the agenda • Set up partners	**Establish** our learning environment	Materials Folder
Exploration of: • **What** are they?	**Build** background knowledge of Portraits of a Learner/Graduate	
• Explore the quality criteria for impactful portraits	**Begin to understand** Portrait quality criteria **Share** reflections and curiosities with colleagues	Portrait Gallery Tour
Exploration of: • **Why** do they matter?	**Build** background knowledge of Portraits of a Learner/Graduate **Share** reflections and curiosities with colleagues	

Closure • Preview next steps • Collect feedback and celebrations	**Nourish** our learning environment	Parking Lot


OKEMOS
PUBLIC SCHOOLS