



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025



Grand Haven
Area Public Schools

GRAND HAVEN AREA PUBLIC SCHOOLS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2025

GRAND HAVEN, MICHIGAN

ISSUED BY:

**MICHAEL MACDONALD
EXECUTIVE DIRECTOR OF
BUSINESS SERVICES**

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1-3
Organizational Chart.....	4
Principal Officials	5
Certificate of Excellence	6
FINANCIAL SECTION	
Independent Auditor's Report	7-9
Management's Discussion and Analysis.....	10-18
Basic Financial Statements	19
Government-wide Financial Statements	
Statement of Net Position	20
Statement of Activities.....	21
Fund Financial Statements	
Balance Sheet - Governmental Funds	22
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.....	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statements of Activities	25
Notes to the Basic Financial Statements	26-57
Required Supplementary Information	58
Budgetary Comparison Schedule - General Fund	59
Schedule of the District's Proportionate Share of the Net Pension Liability	60
Schedule of the District's Pension Contributions.....	61
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset).....	62
Schedule of the District's OPEB Contributions.....	63
Schedule of Changes in District's Total OPEB Liability and Related Ratios	64
Schedule of the District's OPEB Contributions.....	65
Notes to the Required Supplementary Information	66-67

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (concluded)	
Additional Supplementary Information.....	68
Nonmajor Governmental Fund Types	
Combining Balance Sheet	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	70
Special Revenue Funds	
Combining Balance Sheet	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	72
Budgetary Comparison Schedule - Food Service Fund	73
Budgetary Comparison Schedule - Student Activities Fund	74
Debt Service Funds	
Combining Balance Sheet	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	76
STATISTICAL SECTION (UNAUDITED)	
Statistical Section Overview	77
Net Position by Component	78
Changes in Net Position	79-80
Fund Balances - Governmental Funds	81
Governmental Funds Revenues	82
Governmental Funds Expenditures and Debt Service Ratio	83
Other Financing Sources (Uses) and Net Changes in Fund Balances - Governmental Funds	84
Taxable Value and Actual Value of Taxable Property	85
Direct and Overlapping Property Tax Rates	86-87
Principal Property Taxpayers	88
Property Tax Levis and Collections	89
Outstanding Debt by Type	90
Ratio of Outstanding Debt	91
Legal Debt Margin Information	92
Demographic and Economic Statistics	93
Principal Employers in West Michigan	94
Full-time Equivalent District Employees by Type	95
Operating Statistics	96
School Building Information	97
OTHER ITEMS	
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 <i>GOVERNMENT AUDITING STANDARDS</i>	98-99

October 10, 2025

The Board of Education
Grand Haven Area Public Schools
1415 S Beechtree Street
Grand Haven, MI 49417

Dear Board Members and Citizens of Grand Haven Area Public Schools:

This letter of transmittal provides an overview of the financial position of Grand Haven Area Public Schools (the District) from the perspective of the Superintendent and the Executive Director of Business Services. It serves as an introduction to our Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. The ACFR is divided into three sections: introductory section, financial section, and statistical section. The introductory section includes the District's organizational chart, a list of principal officials and this letter of transmittal. The financial section contains the independent auditor's unmodified opinion letter and the Management's Discussion and Analysis report. The Management's Discussion and Analysis report provides a more detailed analysis of the financial condition of the District and should be read in conjunction with this letter. The District's government-wide financial statements, fund financial statements and supplemental information are also contained in this section. The statistical section includes selected financial, demographic, and general information, generally presented on a multi-year basis.

The District's Business Office has prepared this report with responsibility for the accuracy, fairness, and completeness of the presentation, including all disclosures, resting with the District. We believe the information is accurate in all material respects, is presented in a manner designed to fairly show the financial position and results of operations of the District and includes all disclosures necessary to enable the reader to gain an understanding of the District's financial affairs. The report includes a statistical section containing data on numerous financial trends as well as facility information.

The District

Grand Haven Area Public Schools is a suburban district, located in Ottawa and Muskegon County and located within the City of Grand Haven and the surrounding area. The District covers approximately 100 square miles and that includes the cities of Grand Haven and Ferrysburg, as well as Grand Haven Charter Township and portions of the townships of Spring Lake, Port Sheldon, and Robinson in Ottawa County. It also includes a small portion of the southernmost area of the City of Norton Shores located in Muskegon County. The District was formed in 1886. It is a fiscally independent school district governed by a seven-member elected Board of Education.

The District's student enrollment for the 2024-25 school year was 5,211 student FTE (Full-time equivalent). The District has experienced a substantial decrease in student FTE over the past 5 years. In the 2019-20 school year, the District's student enrollment was 5,995 FTE. The projected enrollment for 2025-26 is 5,128. There are six K-4 elementary schools, one early childhood center, one 5-6 school, one 7-8 middle school, one 9-12 high school, one alternative education high school, and one administrative building. The buildings range in age from 27 to 96 years old.

Student Services Provided and Major Initiatives

Grand Haven Area Public Schools provides its students a comprehensive program of public education from the home delivery of services for early childhood special education students as early as age two through twelfth grade. The District has a broad-based curriculum designed to meet the individual needs of all students including regular daytime, at-risk, English language learners, special needs, and alternative education pupils. All students have exposure to current technology integrated across curriculum and access to comprehensive media centers. Middle school students have the opportunity to earn several high school credits prior to entering 9th grade. High School students can earn college credits through dual enrollment, Advanced Placement, and early college programs. The dual enrollment program allows qualifying high school students to attend local colleges and universities, receiving both high school and college credit. The District's education program includes a wide array of special education services for eligible students, boasting the largest special education program in Ottawa County. There are numerous opportunities for students to participate in extracurricular activities including music, drama, fine arts, interscholastic sports, clubs, and many other special activities.

Accounting Systems, Budgetary Control and Annual Audit

The annual budgets are established in accordance with generally accepted accounting principles (GAAP) for the general fund and two special revenue funds. Other funds do not undergo budgetary appropriations. Appropriations for all budgeted funds expire at the close of the fiscal year, regardless of related encumbrances. Encumbrances represent commitments tied to outstanding contracts for goods or services (such as purchase orders, contracts, and commitments). Encumbrance accounting is employed to ensure effective budgetary oversight and accountability, as well as to facilitate prudent cash management. Although all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those expecting fulfillment in the following year) are re-appropriated and integrated into the subsequent year's budget.

The District adheres to budgetary policies and procedures established by the Board of Education, incorporating specific guidelines in budget development and review. A line-item budget, formulated by the Executive Director of Business Services and the Superintendent, is presented to the Board of Education for approval and adoption. This budgeting process incorporates input from employees, parents, and the community, aiming to efficiently allocate resources. The budget may be adjusted by the Board of Education as necessary throughout the fiscal year to reflect changing circumstances and communicate financial forecasts transparently to stakeholders.

The District has integrated its budget with the accounting system and internal controls. Internal controls are designed to provide reasonable assurance for safeguarding assets against unauthorized use and ensuring asset accountability. Additionally, these controls offer assurance regarding the reliability of financial records essential for generating financial statements. It is believed that the budgetary and internal controls effectively protect District assets and offer reasonable assurance that any material errors or fraud impacting financial statements would be either prevented or detected in a timely manner.

An annual audit of its financial statements is mandated for the District. The responsibility for the financial statements lies with District management, while the auditor provides an opinion on the statements.

Economic Environment

Michigan voters approved the state constitutional amendment known as Proposal A in 1994. Funding of District operation shifted dramatically from local property tax revenue to State Aid as a result of this amendment, with funding predominantly determined by student enrollment.

The District has facilities that were built between 1928 and 1997. The average age of the school buildings is 62 years old. These buildings will need significant investment over the next 10 years. Funding mechanisms that can be utilized to support these investments are Bonds and a Sinking Fund. If those sources do not exist, there is potential for funds normally assigned for educational purposes to be diverted to facility upgrades (e.g. funding a teacher versus replacing a boiler).

Bonds require voter approval and the funds come through selling bonds. The District then pays back the debt by levying a debt millage.

Sinking Funds also require voter approval and the funds are received on an annual basis via a tax levy. Sinking Funds can be levied for a max of 10 years before needing renewal and a max levy of 3 mills. Typically Sinking Funds are utilized for “pay as you go” projects.

On August 6th, 2024, the Grand Haven community voted in favor of the District’s Sinking Fund proposal, which will raise approximately \$25 million over the next 10 years. In the first year, the levy is expected to generate about \$2.2 million. We are grateful to our community for their continued support. The first projects, beginning in fiscal year 2025-26, will focus on the District’s public announcement system, air handlers, elevator updates, and student Chromebooks.

The District is reliant upon the State of Michigan for the majority of its funding which is appropriated annually by the Michigan legislature working with the executive branch of State government. It is difficult in this environment to develop a long-term operating plan as the State budget is subject to the whims of changes in elected officials and an overall unwillingness to increase State taxes. Operationally the District spends about 88% of its resources on employees and adjusts staffing annually to work within the financial resources available.

Certificate of Excellence

For the first time in its history, the District received the Certificate of Excellence in Financing Reporting for fiscal year 2023-24. This national recognition reflects the strength of the District’s financial reporting practices and the effort invested in presenting clear, accurate, and comprehensive information. Earning the award underscores the progress made in strengthening financial stewardship and provides the community with added confidence in the District’s ability to manage resources responsibly.

In Appreciation

We would like to express appreciation to a highly dedicated Board of Education that has adopted policies and programs to continue the District’s quality improvement so that we can inspire all to learn, provide exceptional educational experiences, and success for all. We are also thankful to the staff members who working day to day to provide an exceptional learning environment for Grand Haven students.

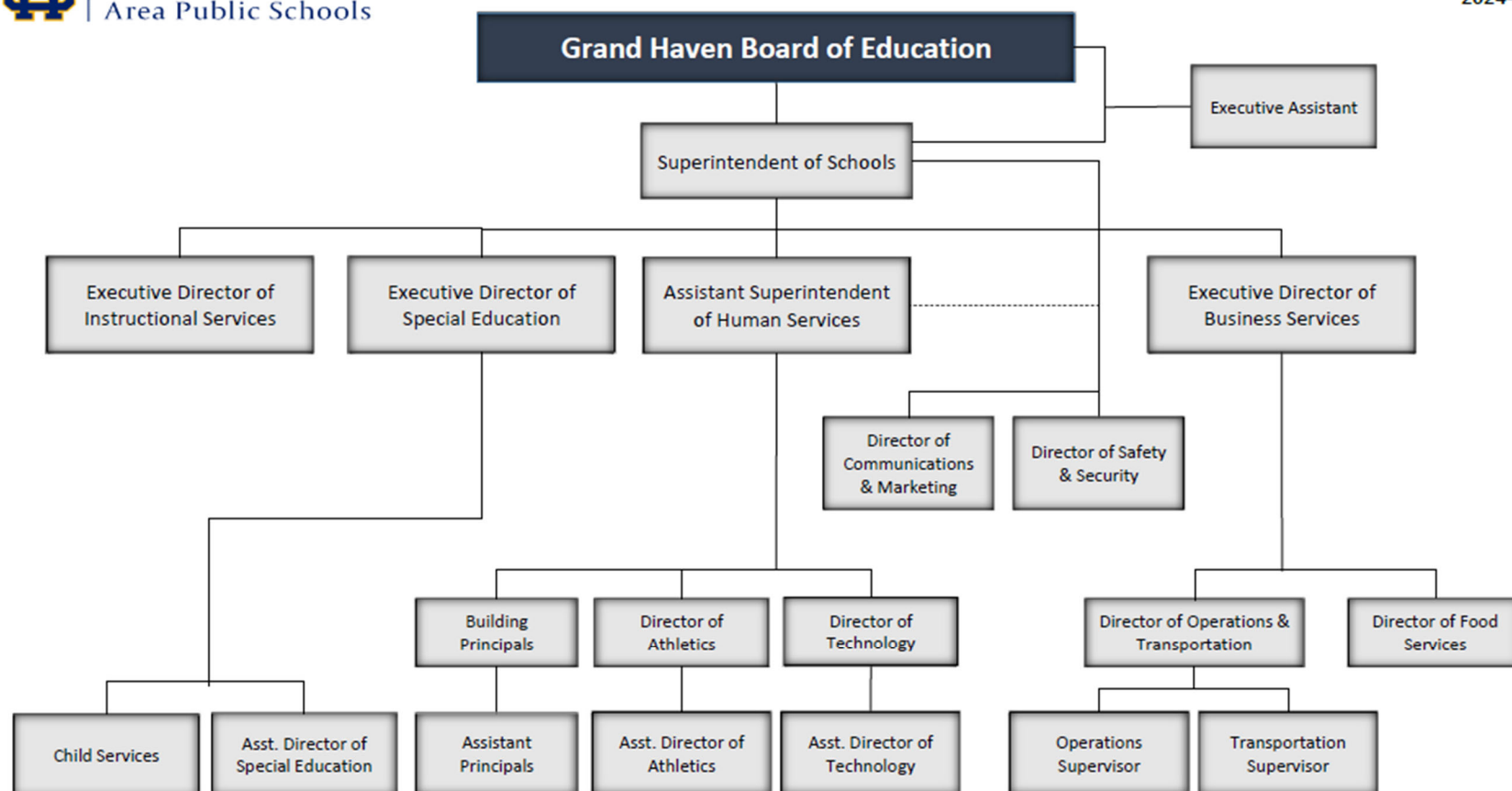
Respectfully submitted,



Kristin Perkowski
Superintendent



Michael MacDonald
Executive Director of Business Services



**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
PRINCIPAL OFFICIALS**

Board of Education

Nichol Stack.....	President
Marc Eickholt.....	Vice President
Krystal Boyd.....	Secretary
Seth Holt	Treasurer
Carl Treutler.....	Trustee
Cyndi Casemier	Trustee
Heather Herrygers.....	Trustee

District Executive Team

Kristin Perkowski	Superintendent
Jason Reinecke	Assistant Superintendent of Human Services
Michael MacDonald	Executive Director of Business Services
Mary Jane Evink.....	Executive Director of Instructional Services
Dr. Cassidy Krumm.....	Executive Director of Special Education



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Grand Haven Area Public Schools

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

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



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

Ryan S. Stechschulte
President

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

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



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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Grand Haven Area Public Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Haven Area Public Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Grand Haven Area 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 Grand Haven Area Public Schools, as of June 30, 2025, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 13 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Grand Haven Area 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 Grand Haven Area 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 Grand Haven Area 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 Grand Haven Area 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 Information - (Annual Comprehensive Financial Reporting)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2025, on our consideration of Grand Haven Area Public Schools' internal control over financial reporting and on our tests of 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 Grand Haven Area 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 Grand Haven Area Public Schools' internal control over financial reporting and compliance.

Maney Costeiran PC

October 10, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Grand Haven Area Public Schools (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

The management's discussion and analysis is provided at the beginning of the annual financial report to provide in layman's terms the past and current position of the District's financial condition. This summary should not be taken as a replacement for the annual financial report which consists of the financial statements and other supplementary and additional information that presents all the District's revenue and expenditures by program.

FINANCIAL HIGHLIGHTS

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

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

These two statements report the District's net position. In order to measure the District's financial health or financial position, we examine the difference between assets, deferred outflow of resources, liabilities, and deferred inflow of resources as reported in the statement of net position. Over time, increases or decreases in the District's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the District's operating results.

It is important to remember that the School District's goal is to provide the best educational opportunities and services possible to the District's students and not to generate profits as commercial entities do. In keeping, the District must account for the long-term stability and continuation of the District by weighing expenditures against the ability to continue existence. The District must keep in check significant decreases in net position over time.

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

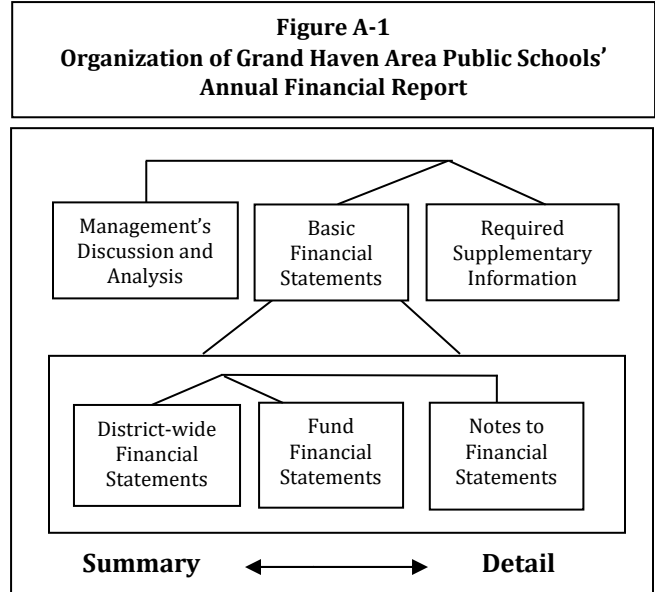
Our financial statements provide insights into the results of this year's operations.

- The assets and deferred outflows of resources of the District are exceeded by its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$48,568,228 (*net position*).
- The District's total net position increased by \$15,267,709.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$11,794,650 a decrease of \$5,704,860 in comparison with the prior year.
- At the end of the current fiscal year, the fund balance for the District's operating fund (general fund) was \$9,403,906 or 10.20% of the total expenditures and transfers out of this operating fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide notes to financial statements.
- The *governmental funds* statements tell how basic services like instruction and support services were financed in the short-term as well as what remains for future spending.



The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year as well as required information for net pension liability and net OPEB asset. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-2 Major Features of District-wide and Fund Financial Statements		
Category	District-wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statements of net position include all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities:

- Governmental Activities - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying obligations) or to show that it is properly using certain revenues (like food service and student/school activities).

The District has one kind of fund:

- Governmental Funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explain the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Restricted net position represents legal constraints from debt covenants and legislation that limit the District's ability to use the net position for day-to-day operations. The following is a summary of the District's net position at June 30, 2025 and 2024.

Table A-3 Grand Haven Area Public Schools Net Position		
	2025	2024*
Assets		
Current and other assets	\$ 21,587,414	\$ 29,248,872
Net other postemployment benefits asset	17,957,517	2,353,315
Capital assets	54,971,647	57,441,412
Total assets	94,516,578	89,043,599
Deferred outflows of resources	36,328,854	47,880,766
Liabilities		
Current liabilities	11,648,308	16,190,013
Long-term liabilities	1,962,461	915,831
Net pension liability	102,475,932	133,811,248
Net other postemployment liability	3,862,931	4,066,600
Total liabilities	119,949,632	154,983,692
Deferred inflows of resources	59,464,028	44,426,422
Net position		
Net investment in capital assets	55,214,351	55,391,467
Restricted for debt service	-	2,766,537
Restricted for net other postemployment benefits	17,957,517	2,353,315
Unrestricted	(121,740,096)	(122,997,068)
Total net position	\$ (48,568,228)	\$ (62,485,749)
*The 2024 numbers have not been updated for the adoption of GASB 101.		

Table A-4		
Changes in Grand Haven Area Public Schools' Net Position		
	<u>2025</u>	<u>2024*</u>
Revenues		
Program revenues		
Charges for services	\$ 1,096,363	\$ 1,155,319
Operating grants and contributions	36,199,230	35,057,184
General revenues		
Property taxes	20,799,785	25,487,786
Investment earnings	757,998	1,136,011
State aid - unrestricted	30,045,366	32,901,889
Intermediate sources	10,636,307	9,630,744
Other	621,222	578,830
Loss on disposal of fixed assets	-	(351,352)
Total revenues	<u>100,156,271</u>	<u>105,596,411</u>
Expenses		
Instruction	44,620,630	48,948,307
Support services	28,360,324	30,952,479
Community services	803,464	837,537
Outgoing transfers and other	67,200	76,800
Food services	2,912,094	2,540,628
Athletic activities	1,641,581	1,394,374
Student/school activities	1,819,701	1,793,961
Interest on long-term debt	115,156	288,902
Unallocated depreciation	4,548,412	4,624,265
Total expenses	<u>84,888,562</u>	<u>91,457,253</u>
Change in net position	<u>\$ 15,267,709</u>	<u>\$ 14,139,158</u>
*The 2024 numbers have not been updated for the adoption of GASB 101.		

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District as a whole has a combined fund balance of \$11,794,650 compared to \$17,499,510 in 2024. The fund balance decreased by \$5,704,860 during the year. There are debt service funds with a combined net fund balance of \$0, special revenue funds with combined a net fund balance of \$2,042,968, the 2020 capital project fund with a net fund balance of \$242,704, and a capital projects fund with a net fund balance of \$105,072. The general fund decreased its fund balance by \$889,883; the 2020 capital project bond decreased its fund balance by \$1,379,465 and other nonmajor governmental funds increased by \$3,435,512 (special revenue, debt service funds, and capital projects funds).

The general fund's revenues were 0.97% lower than expenditures and operating transfers.

General Fund and Budget Highlights

An amendment to the initial budget was completed in January, reflecting increased spending in teacher salaries and benefits. The amendment reflected an increase in the foundation allowance.

The final amendment was adopted in June 2025 to adjust for a slight revenue increase and employee compensation to reflect staffing changes.

The final amended budget was to have expenditures and other financing sources exceeding revenues by \$943,700. Final results showed that revenues came in lower (\$425,860) than were anticipated, but expenditures also came in lower (\$439,131). The net result after other financing sources and (uses) was a decrease in fund balance of \$889,883, decreasing the fund balance to \$9,403,906.

General fund expenditures came within 0.47% of final budgeted amounts. Tight budgetary controls allowed the District to maintain the rising costs with the decrease in revenue sources.

Overall, the difference between the final District's amended budget and end of the year figures amounted to a \$53,817 variance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets are as follows:

Table A-5				
Grand Haven Area Public Schools				
	2025			2024
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 4,973,108	\$ -	\$ 4,973,108	\$ 4,973,108
Construction in process	1,460,218	-	1,460,218	655,018
Building and building improvements	105,167,068	64,262,122	40,904,946	43,561,969
Right to use - subscription-based IT	50,358	25,179	25,179	33,572
Land improvements	19,116,659	15,174,666	3,941,993	4,816,744
Vehicles	5,803,905	3,873,117	1,930,788	2,437,327
Furniture and equipment	9,419,776	7,684,361	1,735,415	963,674
Total	<u>\$ 145,991,092</u>	<u>\$ 91,019,445</u>	<u>\$ 54,971,647</u>	<u>\$ 57,441,412</u>

LONG-TERM OBLIGATIONS

At year-end, the District had \$3,818,005 long-term obligations outstanding as shown in Table A-6. More detailed information is available in the notes to the financial statements.

The District made principal payments amounting to \$3,680,000 which has decreased the long-term obligations.

An increase in compensated absences and terminated benefits of \$860,843, after factoring the restatement for GASB 101, was also recorded.

Table A-6		
Grand Haven Area Public Schools		
Outstanding Long-Term Debt		
	<u>2025</u>	<u>2024*</u>
General obligation bonds and other debt	\$ -	\$ 3,739,039
Compensated absences and terminated benefits	<u>3,818,005</u>	<u>1,606,974</u>
	<u>\$ 3,818,005</u>	<u>\$ 5,346,013</u>
*The 2024 numbers have not been updated for the adoption of GASB 101.		

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- One of the most important factors affecting the budget is our student enrollment as the state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. Any increase or decrease in student enrollment will require adjustments in district expenditures so that the budget remains structurally balanced.
- Since the District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to the District. We have yet to receive a State budget for 2025-26 so this puts uncertainty on the level of funding we will receive for the 2025-26 school year. The District must be conservative during this time.
- The District has facilities that were built between 1920 and 1997. The average age of the school buildings is over 62 years old. These buildings will need significant investment over the next 10-15 years.
- On August 6, 2024, the Grand Haven community approved the District's Sinking Fund proposal, which will raise approximately \$25 million over the next 10 years. In the first year, the levy is expected to generate about \$2.2 million. We are grateful to our community for their continued support. The first projects, beginning in fiscal year 2025-26, will focus on the District's public announcement system, air handlers, elevator updates, and student Chromebooks.

FACTORS BEARING ON THE DISTRICT'S FUTURE (concluded)

- Given current economic uncertainty, the District must remain mindful of potential cost increases and potential reductions in State revenue due to consumer spending decreasing.
- The fiscal year 2025 budget closed with a nearly \$900,000 deficit. As enrollment declines, the District must continue to “right-size” operations and work toward a structurally balanced budget. Significant progress was made in spring 2024-25 through a school consolidation and staffing reductions. This work will continue in 2025-26 and beyond.
- As the labor force shrinks, the District must be innovative in recruiting and retaining high-quality staff to sustain exceptional programs and services for our community.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Michael MacDonald, Executive Director, Business Services, Grand Haven Area Public Schools, 1415 Beechtree Street, Grand Haven, Michigan 49417.

BASIC FINANCIAL STATEMENTS

GRAND HAVEN AREA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,773,807
Investments	6,024,860
Restricted cash and cash equivalents - capital projects	63,926
Restricted investments - capital projects	178,778
Receivables	
Accounts receivable	108,244
Intergovernmental	10,489,577
Inventories	121,659
Prepays	826,563
Net other postemployment benefits asset	17,957,517
Capital assets not being depreciated	6,433,326
Capital assets, net of accumulated depreciation/amortization	48,538,321
TOTAL ASSETS	94,516,578
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	31,537,318
Related to other postemployment benefits	4,791,536
TOTAL DEFERRED OUTFLOWS OF RESOURCES	36,328,854
LIABILITIES	
Accounts payable	284,088
Accrued salaries and related items	6,213,428
Accrued retirement	2,846,960
Unearned revenue	448,288
Noncurrent liabilities	
Due within one year	1,855,544
Due in more than one year	1,962,461
Net pension liability	102,475,932
Net other postemployment benefit liability	3,862,931
TOTAL LIABILITIES	119,949,632
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	29,938,831
Related to state aid funding for pension benefits	5,685,762
Related to other postemployment benefits	23,839,435
TOTAL DEFERRED INFLOWS OF RESOURCES	59,464,028
NET POSITION	
Net investment in capital assets	55,214,351
Restricted for net other postemployment benefits	17,957,517
Unrestricted	(121,740,096)
TOTAL NET POSITION	\$ (48,568,228)

See notes to financial statements.

**GRAND HAVEN AREA PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 44,620,630	\$ -	\$ 25,051,384	\$ (19,569,246)
Support services	28,360,324	-	6,262,846	(22,097,478)
Community services	803,464	525,171	-	(278,293)
Outgoing transfers and other	67,200	-	-	(67,200)
Food services	2,912,094	336,667	2,993,986	418,559
Athletic activities	1,641,581	234,525	-	(1,407,056)
Student/school activities	1,819,701	-	1,891,014	71,313
Interest on long-term debt	115,156	-	-	(115,156)
Unallocated depreciation/amortization	4,548,412	-	-	(4,548,412)
Total governmental activities	<u>\$ 84,888,562</u>	<u>\$ 1,096,363</u>	<u>\$ 36,199,230</u>	<u>(47,592,969)</u>
General revenues				
Property taxes, levied for general purposes				19,743,584
Property taxes, levied for debt service				1,056,201
Investment earnings				757,998
State sources - unrestricted				30,045,366
Intermediate sources				10,636,307
Other				<u>621,222</u>
Total general revenues				<u>62,860,678</u>
CHANGE IN NET POSITION				<u>15,267,709</u>
Net position, beginning of year as previously reported				(62,485,749)
Adjustment to beginning net position				<u>(1,350,188)</u>
Net position, beginning of year as restated				<u>(63,835,937)</u>
Net position, end of year				<u>\$ (48,568,228)</u>

See notes to financial statements.

**GRAND HAVEN AREA PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	2020 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,714,991	\$ -	\$ 2,058,816	\$ 3,773,807
Investments	5,842,675	-	182,185	6,024,860
Restricted cash and cash equivalents	-	63,926	-	63,926
Restricted investments	-	178,778	-	178,778
Receivables				
Accounts receivable	101,278	-	6,966	108,244
Intergovernmental	10,360,937	-	128,640	10,489,577
Due from other funds	309,925	-	30,000	339,925
Inventories	94,107	-	27,552	121,659
Prepays	694,583	-	131,980	826,563
TOTAL ASSETS	\$ 19,118,496	\$ 242,704	\$ 2,566,139	\$ 21,927,339
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Payables				
Accounts payable	\$ 268,506	\$ -	\$ 15,582	\$ 284,088
Due to other funds	-	-	339,925	339,925
Accrued salaries and related items	6,211,804	-	1,624	6,213,428
Accrued retirement	2,846,960	-	-	2,846,960
Unearned revenue	387,320	-	60,968	448,288
TOTAL LIABILITIES	9,714,590	-	418,099	10,132,689
FUND BALANCES				
Nonspendable				
Inventories	94,107	-	27,552	121,659
Prepays	694,583	-	131,980	826,563
Restricted for:				
Food service	-	-	709,770	709,770
Capital projects	-	242,704	-	242,704
Committed for:				
Student/school activities	-	-	1,173,666	1,173,666
Assigned for:				
Capital projects	-	-	105,072	105,072
Compensated absences	3,818,005	-	-	3,818,005
Subsequent year expenditures	1,883,100	-	-	1,883,100
Unassigned				
General fund	2,914,111	-	-	2,914,111
TOTAL FUND BALANCES	9,403,906	242,704	2,148,040	11,794,650
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,118,496	\$ 242,704	\$ 2,566,139	\$ 21,927,339

See notes to financial statements.

**GRAND HAVEN AREA PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total governmental fund balances \$ 11,794,650

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

Governmental funds report actual pension/OPEB expenditures for the fiscal year, whereas the governmental activities will recognize the net pension/OPEB liability/asset as of the measurement date. Contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, net differences between projected and actual plan investment earnings, and changes in proportion and differences between employer contributions and proportionate share of contributions will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources - related to pensions	31,537,318
Deferred outflows of resources - related to other postemployment benefits	4,791,536
Deferred inflows of resources - related to pensions	(29,938,831)
Deferred inflows of resources - related to other postemployment benefits	(23,839,435)
Deferred inflows of resources - related to state aid funding for pension	(5,685,762)

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	17,957,517

Capital assets used in governmental activities are not financial resources and are not reported in the funds.

The cost of the capital assets is	\$ 145,991,092	
Accumulated depreciation/amortization is	<u>(91,019,445)</u>	
		54,971,647

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

Compensated absences and termination benefits	(3,818,005)
Net pension liability	(102,475,932)
Net other postemployment benefits liability	<u>(3,862,931)</u>

Net position of governmental activities	<u><u>\$ (48,568,228)</u></u>
--	-------------------------------

GRAND HAVEN AREA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	2020 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Local sources				
Property taxes	\$ 19,743,584	\$ -	\$ 1,056,201	\$ 20,799,785
Food sales	-	-	336,667	336,667
Investment earnings, net	562,139	48,466	147,393	757,998
Athletics	131,031	-	-	131,031
Student/school activities income	-	-	1,891,014	1,891,014
Tuition	525,171	-	-	525,171
Other	676,790	-	47,926	724,716
Total local sources	21,638,715	48,466	3,479,201	25,166,382
State sources	56,198,204	-	1,419,179	57,617,383
Federal sources	2,391,014	-	1,751,675	4,142,689
Intermediate school districts	10,636,307	-	-	10,636,307
TOTAL REVENUES	90,864,240	48,466	6,650,055	97,562,761
EXPENDITURES				
Current				
Instruction	55,206,453	-	-	55,206,453
Supporting services	35,903,300	-	-	35,903,300
Food service activities	-	-	3,331,697	3,331,697
Community service activities	983,610	-	-	983,610
Student/school activities	-	-	1,819,701	1,819,701
Outgoing transfers and other	116,306	-	-	116,306
Capital outlay	-	1,427,567	671,948	2,099,515
Debt service				
Principal	-	-	3,680,000	3,680,000
Interest	-	-	125,625	125,625
Other	-	364	1,050	1,414
TOTAL EXPENDITURES	92,209,669	1,427,931	9,630,021	103,267,621
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,345,429)	(1,379,465)	(2,979,966)	(5,704,860)
OTHER FINANCING SOURCES (USES)				
Transfers in	455,546	-	402,675	858,221
Transfers out	-	-	(858,221)	(858,221)
TOTAL OTHER FINANCING SOURCES (USES)	455,546	-	(455,546)	-
NET CHANGE IN FUND BALANCES	(889,883)	(1,379,465)	(3,435,512)	(5,704,860)
FUND BALANCES				
Beginning of year	10,293,789	1,622,169	5,583,552	17,499,510
End of year	\$ 9,403,906	\$ 242,704	\$ 2,148,040	\$ 11,794,650

See notes to financial statements.

**GRAND HAVEN AREA PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Net change in fund balances total governmental funds **\$ (5,704,860)**

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

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

Depreciation/amortization expense	(4,548,412)
Capital outlay	2,078,647

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

Accrued interest payable, beginning of the year	10,469
Accrued interest payable, end of the year	-

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 in the treatment of long-term debt and related items are as follows:

Payments on debt	3,680,000
Amortization of deferred charge on refunding	(66,925)
Amortization of bond premiums	59,039

Compensated absences and termination benefits are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds.

Accrued compensated absences and termination benefits, beginning of the year, as restated	2,957,162
Accrued compensated absences and termination benefits, end of the year	(3,818,005)

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

Pension related items	10,919,642
Other postemployment benefits related items	7,107,442

Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period.

State aid funding for pension benefits	2,593,510
--	-----------

Change in net position of governmental activities	\$ 15,267,709
--	----------------------

GRAND HAVEN AREA PUBLIC SCHOOLS NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Grand Haven Area Public Schools (the "District") is governed by the Grand Haven Area 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).

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, intergovernmental revenues, and other nonexchange transactions.

Basis of Presentation - Government-wide Financial Statements

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

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

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds. 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 *2020 Capital Projects Fund* accounts for the receipt of debt proceeds and the acquisition or construction of capital facilities or equipment held by the District. For this capital project, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. The fund is considered substantially complete.

Beginning with the year of bond issuance, the school district has reported the annual construction activity in the Capital Projects Fund. The project for which the 2020 Bonds were issued was considered complete on June 30, 2025 (June 30 immediately following date of certificate of substantial completion or 95% of proceeds expended).

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (concluded)

The following is a summary of the cumulative revenues and expenditures for the capital projects bond activity since inception.

	<u>2020 Bond</u>
Revenues	<u>\$ 676,786</u>
Expenditures and other financing sources	<u>\$ 11,214,082</u>

The above revenue figures do not include original 2020 school bond proceeds of \$10,780,000, respectively.

Additionally, the District reports the following *Nonmajor Fund Types*:

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 as special revenue funds.

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

The *Capital Projects Funds* account for the transfers from the general fund for the acquisition of capital assets or construction of major capital projects. The District maintains one nonmajor capital projects fund for various assigned purposes.

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

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

Measurement Focus and Basis of Accounting

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

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (concluded)

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 state-wide 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 due from other governmental units.

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.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information

Budgetary Basis of Accounting

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

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

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

- a. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.
- d. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
- e. The budget was amended twice during the year. The final budget was approved prior to the June 30, 2025 year-end with more than originally expected revenues and appropriations due to previous uncertainty in state and federal funding when the original budget was adopted. Although the district does consider these amendments to be significant, they were deemed necessary due to considerable uncertainty at the time the original budget was adopted.

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 certificates of deposit.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Investments

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

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services, and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

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

Inventories and Prepaids

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

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.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets

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

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

<u>Capital Asset Classes</u>	<u>Years</u>
Building and building improvements	15 - 50
Land improvements	20
Right to use - subscription-based IT	6
Vehicles	5 - 8
Furniture and equipment	5 - 20

Defined Benefit Plans

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

Deferred Outflows

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

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Inflows

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance Policies (concluded)

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. The Board has delegated to the Superintendent the authority to assign amounts to be used for specific purposes. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Subscription-based Information Technology Arrangements (SBITA)

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

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

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

- The District uses the interest rate charged by 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 SBITAs.
- The SBITA term includes the noncancelable period of the subscription. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

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

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

Fund	Mills
General fund	
Non-Principal Residence Exemption (PRE)	18.00
Commercial Personal Property	6.00
Debt service fund	
PRE, Non-PRE, Commercial Personal Property	0.33

Compensated Absences

The District's contracts generally provide for granting vacation and sick leave with pay. The current and long-term liability for compensated absences is reported on the government-wide financial statements. A liability for these amounts, including related benefits, is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations, or retirements.

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 uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The general fund and food service funds has been used to liquidate long-term obligations other than debt.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2025, \$3,703,368 of the District's bank balance of \$4,255,181 was exposed to custodial credit risk because it was uninsured and uncollateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name. The carrying balance is \$3,837,733.

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. As of June 30, 2025, the District had \$6,203,638 of investments exposed to custodial credit risk.

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.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
MILAF External Investment Pool - Cash Management Class	\$ 1,206	N/A
MILAF External Investment Pool - MAX	2,859	N/A
Michigan CLASS Investment Pool	302,129	0.1050
Fidelity Treasury Portfolio Money Market Fund	204,378	0.0027
Invesco Government & Agency Portfolio	249,359	0.0889
U.S. Treasury Notes	2,783,934	1.5971
U.S. Government Agency Bonds	2,510,185	1.4932
Goldman Sachs Financial Square Government Fund	149,588	0.1111
Total fair value	<u>\$ 6,203,638</u>	
Portfolio weighted average maturity		<u>1.3324</u>

One day maturity equals 0.0027, one year equals 1.00.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

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.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Agency</u>
MILAF External Investment Pool - Cash Management Class	\$ 1,206	AAAm	Standard & Poor's
MILAF External Investment Pool - MAX	2,859	AAAm	Standard & Poor's
Michigan CLASS Investment Pool	302,129	AAAm	Standard & Poor's
Fidelity Treasury Portfolio Money Market Fund	204,378	N/A	Standard & Poor's
Invesco Government & Agency Portfolio	249,359	AAAm	Standard & Poor's
U.S. Treasury Notes	2,783,934	AA+	Standard & Poor's
U.S. Government Agency Bonds	2,510,185	A-1+	Standard & Poor's
Goldman Sachs Financial Square Government Fund	149,588	AAAm	Standard & Poor's
Total	<u>\$ 6,203,638</u>		

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.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (concluded)

	Level 1	Level 2	Level 3	Balance June 30, 2025
Investments by fair value level				
Fidelity Treasury Portfolio Money Market Fund	\$ 204,378	\$ -	\$ -	\$ 204,378
Invesco Government & Agency Portfolio	249,359	-	-	249,359
U.S. Treasury Notes	2,783,934	-	-	2,783,934
U.S. Government Agency Bonds	2,510,185	-	-	2,510,185
Goldman Sachs Financial Square Government Fund	-	149,588	-	149,588
Total	<u>\$ 5,747,856</u>	<u>\$ 149,588</u>	<u>\$ -</u>	<u>\$ 5,897,444</u>

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

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 - Cash Management Class	\$ 1,206
MILAF External Investment Pool - MAX	<u>2,859</u>
	<u>\$ 4,065</u>

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

Investments in Entities that Calculate Net Asset Value per Share

The District holds shares or interests in the Michigan CLASS investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invest in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (concluded)

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

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Michigan CLASS Investment Pool	\$ 302,129	\$ -	No restrictions	None

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

	<u>Primary Government</u>
Cash and cash equivalents	\$ 3,773,807
Investments	6,024,860
Restricted cash and cash equivalents	63,926
Restricted investments	<u>178,778</u>
	<u>\$ 10,041,371</u>

NOTE 3 - INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2025 consist of the following:

State aid	\$ 9,515,042
Federal revenue	606,239
Intermediate school district and other governments	<u>368,296</u>
	<u>\$ 10,489,577</u>

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

GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2024	Additions/ Reclassification	Deletions/ Reclassification	Balance June 30, 2025
Assets not being depreciated/amortized				
Land	\$ 4,973,108	\$ -	\$ -	\$ 4,973,108
Construction in process	655,018	1,200,120	(394,920)	1,460,218
Total assets not being depreciated/amortized	5,628,126	1,200,120	(394,920)	6,433,326
Capital assets being depreciated/amortized				
Building and building improvements	105,052,498	114,570	-	105,167,068
Land improvements	19,108,534	8,125	-	19,116,659
Right to use - subscription-based IT	50,358	-	-	50,358
Vehicles	5,740,281	63,624	-	5,803,905
Furniture and equipment	10,277,581	1,087,128	(1,944,933)	9,419,776
Total other capital assets	140,229,252	1,273,447	(1,944,933)	139,557,766
Accumulated depreciation/amortization				
Building and building improvements	61,490,529	2,771,593	-	64,262,122
Land improvements	14,291,790	882,876	-	15,174,666
Right to use - subscription-based IT	16,786	8,393	-	25,179
Vehicles	3,302,954	570,163	-	3,873,117
Furniture and equipment	9,313,907	315,387	(1,944,933)	7,684,361
Total accumulated depreciation/amortization	88,415,966	4,548,412	(1,944,933)	91,019,445
Net capital assets being depreciated/amortized	51,813,286	(3,274,965)	-	48,538,321
Net governmental capital assets	\$ 57,441,412	\$ (2,074,845)	\$ (394,920)	\$ 54,971,647

Depreciation/amortization for the fiscal year ended June 30, 2025 amounted to \$4,548,412. The District determined that it was impractical to allocate depreciation/amortization to the various governmental activities as the assets serve multiple functions.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

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. Long-term obligations currently outstanding are as follows:

	General Obligation Bonds (Including Premiums)	Compensated Absences and Termination Benefits*	Total
Balance July 1, 2024, as restated	\$ 3,739,039	\$ 2,957,162	\$ 6,696,201
Additions	-	860,843	860,843
Deletions	<u>(3,739,039)</u>	<u>-</u>	<u>(3,739,039)</u>
Balance June 30, 2025	-	3,818,005	3,818,005
Due within one year	<u>-</u>	<u>1,855,544</u>	<u>1,855,544</u>
Due in more than one year	<u>\$ -</u>	<u>\$ 1,962,461</u>	<u>\$ 1,962,461</u>

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

Interest expense (all funds) for the year ended June 30, 2025 was approximately \$126,000.

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Receivable Fund		Payable Fund	
General fund	\$ 309,925	Nonmajor governmental funds	\$ 339,925
Nonmajor governmental funds	<u>30,000</u>		
	<u>\$ 339,925</u>		

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

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (concluded)

Interfund transfers for the year ended June 30, 2025 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 455,546	\$ -
Nonmajor governmental funds	<u>402,675</u>	<u>858,221</u>
	<u>\$ 858,221</u>	<u>\$ 858,221</u>

During the year, transfers are used to: (1) move revenue 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 programs accounted for in the other funds in accordance with budgetary authorizations.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

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

Benefits Provided - Overall

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

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

GRAND HAVEN AREA PUBLIC SCHOOLS NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided - Pension

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

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

Pension Reform 2010

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

Pension Reform 2012

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

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

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

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

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

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (continued)

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

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

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

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

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

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

Pension Reform of 2017

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

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform of 2017 (continued)

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

Pension Reform of 2023

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

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Regular Retirement (no reduction factor for age)

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

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

Member Contributions

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

Employer Contributions

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

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

Pension and OPEB contributions made in the fiscal year ending September 30, 2024, were determined as of the September 30, 2021, actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2021, are amortized over a 15-year period beginning October 1, 2023, and ending September 30, 2038.

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

	<u>Pension</u>	<u>Other Postemployment Benefit</u>
October 1, 2024 - September 30, 2025	20.96% - 30.11%	0.00% - 1.25%
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (concluded)

The District's pension contributions for the year ended June 30, 2025, were equal to the required contribution total. Total pension contributions were approximately \$19,081,000. Of the total pension contributions approximately \$18,367,00 was contributed to fund the Defined Benefit Plan and approximately \$714,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2025, were equal to the required contribution total. Total OPEB contributions were approximately \$670,000. Of the total OPEB contributions approximately \$234,000 was contributed to fund the Defined Benefit Plan and approximately \$436,000 was contributed to fund the Defined Contribution Plan.

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

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

The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2023, and rolled-forward using generally accepted actuarial procedures.

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

<u><i>MPERS (Plan)</i> Non-university Employers</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Total pension liability	\$ 95,765,499,515	\$ 94,947,828,557
Plan fiduciary net position	\$ 71,283,482,728	\$ 62,581,762,238
Net pension liability	\$ 24,482,016,787	\$ 32,366,066,319
Proportionate share	0.41858%	0.41343%
Net pension liability for the District	\$ 102,475,932	\$ 133,811,248

For the year ended June 30, 2025, the District recognized pension expense of \$7,447,456.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 1,208,104	\$ 1,760,419
Differences between expected and actual experience	2,780,244	1,113,415
Changes of assumptions	10,683,723	7,508,245
Net difference between projected and actual earnings on pension plan investments	-	19,556,752
Reporting Unit's contributions subsequent to the measurement date	16,865,247	-
	<u>\$ 31,537,318</u>	<u>\$ 29,938,831</u>

\$16,865,247, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Year Ended June 30,	Amount
2026	\$ (3,729,251)
2027	452,739
2028	(7,061,097)
2029	<u>(4,929,151)</u>
	<u>\$ (15,266,760)</u>

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

The net OPEB liability (asset) was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2023, and rolled-forward using generally accepted actuarial procedures.

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

<u>MPERS (Plan) Non-university Employers</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Total Other Postemployment Benefit liability	\$ 9,991,545,923	\$ 11,223,648,949
Plan fiduciary net position	\$ 14,295,943,589	\$ 11,789,347,341
Net Other Postemployment Benefit Liability (Asset)	\$ (4,304,397,666)	\$ (565,698,392)
Proportionate share	0.41719%	0.41600%
Net Other Postemployment Benefit Liability (Asset) for the District	\$ (17,957,517)	\$ (2,353,315)

For the year ended June 30, 2025, the District recognized OPEB benefit of \$6,860,570.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 3,922,180	\$ 450,822
Net difference between projected and actual earnings on OPEB plan investments	-	3,399,564
Differences between expected and actual experience	-	19,029,485
Changes in proportion and difference between employer contributions and proportionate share of contributions	459,787	719,613
Reporting Unit's contributions subsequent to the measurement date	<u>111,665</u>	<u>-</u>
	<u>\$ 4,493,632</u>	<u>\$ 23,599,484</u>

\$111,665, 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.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

Year Ended June 30,	Amount
2026	\$ (6,413,783)
2027	(3,761,741)
2028	(3,711,187)
2029	(3,250,663)
2030	(1,746,063)
2031	(334,080)
	<u>\$ (19,217,517)</u>

Actuarial Assumptions

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

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

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

Inflation - 3.0%.

Mortality Assumptions -

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

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

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

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

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.25% for year one and graded to 3.5% in year fifteen. Post 65, 6.50% for year one and graded to 3.5% in year fifteen.

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

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

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

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

The target asset allocation at September 30, 2024, and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Rate of Return - For fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 15.47% and 15.45%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

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

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	\$ 150,230,818	\$ 102,475,932	\$ 62,710,802

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

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	\$ (13,877,718)	\$ (17,957,517)	\$ (21,484,936)

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (concluded)

Actuarial Assumptions (concluded)

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

	Other Postemployment Benefits		
		Current Healthcare Cost Trend Rates	
	1% Decrease		1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	<u>\$ (21,484,974)</u>	<u>\$ (17,957,517)</u>	<u>\$ (14,174,340)</u>

Pension and OPEB Plan Fiduciary Net Position

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

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

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

The District administers a single-employer defined benefit healthcare plan (the "OPEB Plan"). In addition to the retirement benefits described in Note 7, the OPEB Plan provides health insurance benefits to certain retirees and their beneficiaries, which are funded on a pay-as-you-go basis. Participants are eligible for the OPEB Plan if hired prior to May 1, 2004, have 12 years of service and are eligible for MPSERS. Separate financial statements are not prepared for the OPEB Plan.

Benefits Provided

In accordance with the District's policy, the District provides an annual payment until the retiree is eligible for full social security benefits. Administrators receive \$3,000 annually plus \$700 annually in lieu of dental and vision insurance until eligible for social security benefits. Teachers receive an annual amount of 10% of the BA Base at retirement (with any increases past retirement) plus \$700 in lieu of vision and dental insurance or health insurance benefits until eligible for social security benefits.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Employees Covered by Benefit Terms

At June 30, 2025, the date of the most recent actuarial valuation, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	88
Active plan members	<u>80</u>
	<u><u>168</u></u>

Contributions

The contribution requirements of OPEB Plan members and the District are established and may be amended by the District's Board of Education. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board of Education. Employees are not required to contribute to the OPEB Plan.

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions

The total OPEB liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Not applicable
Salary increases	3.00%
Investment rate of return	N/A
20-year Aa Municipal bond rate	4.81%

Mortality rates were based on Public Teacher and Public General 2010 Employee and Healthy Retiree, Headcount weighted.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.81%. Because the plan does not have a dedicated OPEB trust, assets are not projected to be sufficient to make future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date", not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability.

As the plan is not pre-funded, no long-term expected rate of return of plan investments was determined.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Change in Actuarial Assumptions

The discount rate increased from 4.21% to 4.81%.

Change in the Total OPEB Liability

The components of the change in the total OPEB liability are summarized as follows:

Balance at June 30, 2024	<u>\$ 4,066,600</u>
Changes during the year	
Service cost	80,583
Interest	167,240
Experience gains	3,585
Changes in actuarial assumptions	(105,597)
Benefit payments	<u>(349,480)</u>
Net changes	<u>(203,669)</u>
Balance at June 30, 2025	<u><u>\$ 3,862,931</u></u>

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

The following table presents the total OPEB liability, calculated using a single discount rate of 4.81%, as well as what the total OPEB liability would be if it were calculated using a single discount rate that is 1% lower (3.81%) or (5.81%) than the current rate:

	<u>Other Postemployment Benefits</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
District's total OPEB liability	<u>\$ 4,042,116</u>	<u>\$ 3,862,931</u>	<u>\$ 3,689,627</u>

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$337,100. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 53,993	\$ 227,015
Differences between expected and actual experience	<u>243,911</u>	<u>12,936</u>
	<u><u>\$ 297,904</u></u>	<u><u>\$ 239,951</u></u>

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (concluded)

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

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

Year Ended June 30,	Amount
2026	\$ 69,882
2027	1,852
2028	(4,089)
2029	(9,692)
	\$ 57,953

Payable to the Plan

At June 30, 2025, the District reported no amount payable to the OPEB Plan.

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

The District continues to carry commercial insurance for other risks of loss, including property and casualty errors and omissions, fleet and employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2025 or any of the prior three years.

NOTE 10 - 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.

Property taxes abated by the District for the year ended June 30, 2025 amounted to approximately \$491,500.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 10 - TAX ABATEMENTS (concluded)

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

There are no abatements made by the District.

NOTE 11 - CONTINGENT LIABILITIES

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

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

GRAND HAVEN AREA PUBLIC SCHOOLS **NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS (concluded)

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*.

Summary: This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

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

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances <u>Governmental Activities</u>
Net position balance as of July 1, 2024, as previously stated	\$ (62,485,749)
Adoption of GASB Statement 101	<u>(1,350,188)</u>
Net position balance as of July 1, 2024, as restated	<u><u>\$ (63,835,937)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**GRAND HAVEN AREA PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	GAAP Basis			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 20,551,000	\$ 21,417,800	\$ 21,638,715	\$ 220,915
State sources	54,759,500	56,638,800	56,198,204	(440,596)
Federal sources	2,428,500	2,552,100	2,391,014	(161,086)
Intermediate school districts	10,116,000	10,681,400	10,636,307	(45,093)
TOTAL REVENUES	87,855,000	91,290,100	90,864,240	(425,860)
EXPENDITURES				
Current				
Instruction				
Basic programs	41,078,800	41,347,500	41,040,373	307,127
Added needs	12,577,700	14,211,900	14,166,080	45,820
Total instruction	53,656,500	55,559,400	55,206,453	352,947
Supporting services				
Pupil	7,975,900	8,395,200	8,349,637	45,563
Instructional staff	4,328,500	4,961,700	4,922,446	39,254
General administration	1,062,300	1,208,400	1,197,982	10,418
School administration	4,822,900	4,816,500	4,802,535	13,965
Business	802,400	916,000	913,748	2,252
Operation/maintenance	7,545,300	7,742,900	7,809,643	(66,743)
Pupil transportation	2,935,600	2,936,500	2,909,448	27,052
Central	2,795,400	3,070,400	3,069,269	1,131
Athletics	1,833,800	1,885,200	1,928,592	(43,392)
Total supporting services	34,102,100	35,932,800	35,903,300	29,500
Community services	933,100	1,039,400	983,610	55,790
Outgoing transfers and other	30,000	117,200	116,306	894
TOTAL EXPENDITURES	88,721,700	92,648,800	92,209,669	439,131
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(866,700)	(1,358,700)	(1,345,429)	13,271
OTHER FINANCING SOURCES				
Transfer in	115,000	415,000	455,546	40,546
TOTAL OTHER FINANCING SOURCES (USES)	115,000	415,000	455,546	40,546
NET CHANGE IN FUND BALANCE	\$ (751,700)	\$ (943,700)	(889,883)	\$ 53,817
FUND BALANCE				
Beginning of year			10,293,789	
End of year			<u>\$ 9,403,906</u>	

GRAND HAVEN AREA PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Reporting Unit's proportion of net pension liability (%)	0.41858%	0.41343%	0.41875%	0.42474%	0.42846%	0.43622%	0.43166%	0.43084%	0.43461%	0.41735%
Reporting Unit's proportionate share of net pension liability	\$ 102,475,932	\$ 133,811,248	\$ 157,487,174	\$ 100,559,553	\$ 147,180,252	\$ 144,462,656	\$ 129,765,871	\$ 111,649,079	\$ 108,432,752	\$ 101,937,864
Reporting Unit's covered-employee payroll	\$ 44,454,466	\$ 41,994,258	\$ 39,722,271	\$ 38,390,804	\$ 37,633,105	\$ 38,246,204	\$ 37,006,614	\$ 35,636,183	\$ 37,354,823	\$ 36,157,415
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll (%)	230.52%	318.64%	396.47%	261.94%	381.09%	377.72%	350.66%	313.30%	290.28%	281.93%
Plan fiduciary net position as a percentage of total pension liability	74.44%	65.91%	60.77%	72.60%	59.49%	60.31%	62.36%	64.21%	63.27%	63.17%

**GRAND HAVEN AREA PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOLS EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 18,367,098	\$ 17,170,147	\$ 18,781,812	\$ 13,869,195	\$ 12,272,812	\$ 11,877,234	\$ 11,371,276	\$ 11,763,697	\$ 10,240,267	\$ 9,638,689
Contributions in relation to statutorily required contributions	<u>18,367,098</u>	<u>17,170,147</u>	<u>18,781,812</u>	<u>13,869,195</u>	<u>12,272,812</u>	<u>11,877,234</u>	<u>11,371,276</u>	<u>11,763,697</u>	<u>10,240,267</u>	<u>9,638,689</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 45,276,766	\$ 44,222,625	\$ 42,961,475	\$ 39,422,946	\$ 37,492,956	\$ 38,306,989	\$ 37,174,140	\$ 36,678,602	\$ 36,408,524	\$ 37,185,878
Contributions as a percentage of covered-employee payroll	40.57%	38.83%	43.72%	35.18%	32.73%	31.01%	30.59%	32.07%	28.13%	25.92%

GRAND HAVEN AREA PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
MICHIGAN PUBLIC SCHOOLS EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE PLAN YEAR ENDED SEPTEMBER 30)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Reporting Unit's proportion of net other postemployment benefit liability/asset (%)	0.41719%	0.41600%	0.40709%	0.42333%	0.42187%	0.43687%	0.43413%	0.43117%
Reporting Unit's proportionate share of net other post-employment benefit liability (asset)	\$ (17,957,517)	\$ (2,353,315)	\$ 8,622,419	\$ 6,461,583	\$ 22,600,736	\$ 31,357,272	\$ 34,509,044	\$ 38,182,275
Reporting Unit's covered-employee payroll	\$ 44,454,466	\$ 41,994,258	\$ 39,722,271	\$ 38,390,804	\$ 37,633,105	\$ 38,246,204	\$ 37,006,614	\$ 35,636,183
Reporting Unit's proportionate share of net other post-employment benefit liability as a percentage of its covered-employee payroll	40.40%	5.60%	21.71%	16.83%	60.06%	81.99%	93.25%	107.14%
Plan fiduciary net position as a percentage of total other post-employment benefit liability (Non-university employees)	143.08%	105.04%	83.09%	87.33%	59.76%	48.46%	42.95%	36.39%

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

**GRAND HAVEN AREA PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOLS EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 234,492	\$ 3,662,773	\$ 3,392,742	\$ 3,184,333	\$ 3,198,803	\$ 3,032,175	\$ 2,895,820	\$ 2,733,937
Contributions in relation to statutorily required contributions	<u>234,492</u>	<u>3,662,773</u>	<u>3,392,742</u>	<u>3,184,333</u>	<u>3,198,803</u>	<u>3,032,175</u>	<u>2,895,820</u>	<u>2,733,937</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 45,276,766	\$ 44,222,625	\$ 42,961,475	\$ 39,422,946	\$ 37,492,956	\$ 38,306,989	\$ 37,174,140	\$ 36,678,602
Contributions as a percentage of covered-employee payroll	0.52%	8.28%	7.90%	8.08%	8.53%	7.92%	7.79%	7.45%

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.

GRAND HAVEN AREA PUBLIC SCHOOLS
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)

	Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 80,583	\$ 75,082	\$ 77,835	\$ 141,406	\$ 113,104	\$ 115,397	\$ 107,276	\$ 103,648
Interest on the total OPEB liability	167,240	168,056	168,942	71,919	117,015	114,685	135,483	137,278
Differences between expected and actual experience	3,585	130,639	(36,090)	717,738	(22,626)	15,482	(100,587)	-
Changes in assumptions	(105,597)	(24,336)	(30,584)	(540,801)	234,403	223,577	98,434	-
Benefit payments and refunds	<u>(349,480)</u>	<u>(342,695)</u>	<u>(346,064)</u>	<u>(312,720)</u>	<u>(321,282)</u>	<u>(297,846)</u>	<u>(295,803)</u>	<u>(295,919)</u>
Net change in total OPEB liability	(203,669)	6,746	(165,961)	77,542	120,614	171,295	(55,197)	(54,993)
Total OPEB liability, beginning of year	<u>4,066,600</u>	<u>4,059,854</u>	<u>4,225,815</u>	<u>4,148,273</u>	<u>4,027,659</u>	<u>3,856,364</u>	<u>3,911,561</u>	<u>3,966,554</u>
Total OPEB liability, end of year	<u>\$ 3,862,931</u>	<u>\$ 4,066,600</u>	<u>\$ 4,059,854</u>	<u>\$ 4,225,815</u>	<u>\$ 4,148,273</u>	<u>\$ 4,027,659</u>	<u>\$ 3,856,364</u>	<u>\$ 3,911,561</u>
Covered-employee payroll	<u>\$ 8,108,277</u>	<u>\$ 10,344,465</u>	<u>\$ 10,467,838</u>	<u>\$ 11,720,806</u>	<u>\$ 12,164,247</u>	<u>\$ 13,299,407</u>	<u>\$ 13,841,280</u>	<u>\$ 14,415,221</u>
Total OPEB liability as a percentage of covered-employee payroll	47.64%	39.31%	38.78%	36.05%	34.10%	30.28%	27.86%	27.13%

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.

**GRAND HAVEN AREA PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 766,779	\$ 687,257	\$ 651,694	\$ 645,807	\$ 688,743	\$ 614,146	\$ 697,819	\$ 629,189
Actual contribution	<u>349,480</u>	<u>342,695</u>	<u>346,064</u>	<u>312,720</u>	<u>321,282</u>	<u>297,846</u>	<u>295,803</u>	<u>295,919</u>
Contribution deficiency (excess)	<u>\$ 417,299</u>	<u>\$ 344,562</u>	<u>\$ 305,630</u>	<u>\$ 333,087</u>	<u>\$ 367,461</u>	<u>\$ 316,300</u>	<u>\$ 402,016</u>	<u>\$ 333,270</u>
Covered-employee payroll	\$ 8,108,277	\$ 10,344,465	\$ 10,467,838	\$ 11,720,806	\$ 12,164,247	\$ 13,299,407	\$ 13,841,280	\$ 14,415,221
Contributions as a percentage of covered-employee payroll	4.31%	3.31%	3.31%	2.67%	2.64%	2.24%	2.14%	2.05%

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.

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 - PENSION INFORMATION

Benefit Changes

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

Changes in Assumptions

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

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

NOTE 2 - MULTIEMPLOYER OPEB INFORMATION

Benefit Changes

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

Changes in Assumptions

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

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

**GRAND HAVEN AREA PUBLIC SCHOOLS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 - OPEB INFORMATION (concluded)

Changes in Assumptions (concluded)

- 2022 - The discount rate and investment rate of return used in the September 30, 2021, actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.
- 2021 - The health care cost trend rate used in the September 30, 2020, actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.
- 2020 - The health care cost trend rate used in the September 30, 2019, actuarial valuation decreased by 0.50 percentage points and actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.8 billion in 2020.
- 2019 - The discount rate used in the September 30, 2018, actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017, actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

NOTE 3 - SINGLE EMPLOYER OPEB PLAN INFORMATION

Changes of Assumptions - the assumption changes for 2025 were:

The discount rate increased from 4.21% to 4.81%.

Valuation Date	Actuarially determined contribution rates are calculated as of the end of the fiscal year in which contributions are reported.
----------------	--

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of compensation
Asset valuation method	N/A; plan is not pre-funded
Inflation	2% base inflation for teachers
Salary increases	3.0%
Investment rate of return	N/A; plan is not pre-funded
Retirement age	Age-based rates: age 55-58, 6%; age 59, 20%; age 60-64, 40%; age 65, 100%
Mortality	Public Teacher and Public General, headcount weighted with Mortality Projection 2021 Annuitant and Non-annuitant, sex-distinct tables
Healthcare cost trend rates	2.0%

ADDITIONAL SUPPLEMENTARY INFORMATION

**GRAND HAVEN AREA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2025**

	Special Revenue Funds	Debt Service Funds	2021 Capital Projects Fund	Total Nonmajor Funds
ASSETS				
Cash and cash equivalents	\$ 1,796,004	\$ 157,740	\$ 105,072	\$ 2,058,816
Investments	-	182,185	-	182,185
Receivables				
Accounts receivable	6,966	-	-	6,966
Intergovernmental	128,640	-	-	128,640
Due from other funds	30,000	-	-	30,000
Inventories	27,552	-	-	27,552
Prepays	131,980	-	-	131,980
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 2,121,142</u>	<u>\$ 339,925</u>	<u>\$ 105,072</u>	<u>\$ 2,566,139</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 15,582	\$ -	\$ -	\$ 15,582
Due to other funds	-	339,925	-	339,925
Accrued salaries and related items	1,624	-	-	1,624
Unearned revenue	60,968	-	-	60,968
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>78,174</u>	<u>339,925</u>	<u>-</u>	<u>418,099</u>
FUND BALANCES				
Nonspendable				
Inventories	27,552	-	-	27,552
Prepays	131,980	-	-	131,980
Restricted for:				
Food service	709,770	-	-	709,770
Committed for:				
Student/school activities	1,173,666	-	-	1,173,666
Assigned for:				
Capital projects	-	-	105,072	105,072
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>2,042,968</u>	<u>-</u>	<u>105,072</u>	<u>2,148,040</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,121,142</u>	<u>\$ 339,925</u>	<u>\$ 105,072</u>	<u>\$ 2,566,139</u>

**GRAND HAVEN AREA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds	Debt Service Funds	2021 Capital Projects Fund	Total Nonmajor Funds
REVENUES				
Local sources				
Property taxes	\$ -	\$ 1,056,201	\$ -	\$ 1,056,201
Food sales	336,667	-	-	336,667
Student/school activities income	1,891,014	-	-	1,891,014
Investment earnings	-	137,146	10,247	147,393
Other	-	-	47,926	47,926
State sources	1,242,311	176,868	-	1,419,179
Federal sources	1,751,675	-	-	1,751,675
	<u>5,221,667</u>	<u>1,370,215</u>	<u>58,173</u>	<u>6,650,055</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Special revenue activities				
Salaries	682,351	-	-	682,351
Benefits	507,577	-	-	507,577
Purchased services	440,227	-	-	440,227
Supplies and materials	1,452,748	-	-	1,452,748
Capital outlay	239,456	-	-	239,456
Student/school activities expenditures	1,819,701	-	-	1,819,701
Other expenses	9,338	-	-	9,338
Capital outlay	-	-	671,948	671,948
Debt service				
Principal repayment	-	3,680,000	-	3,680,000
Interest	-	125,625	-	125,625
Other	-	1,050	-	1,050
	<u>5,151,398</u>	<u>3,806,675</u>	<u>671,948</u>	<u>9,630,021</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>70,269</u>	<u>(2,436,460)</u>	<u>(613,775)</u>	<u>(2,979,966)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	402,675	-	402,675
Transfers out	(115,000)	(743,221)	-	(858,221)
	<u>(115,000)</u>	<u>(340,546)</u>	<u>-</u>	<u>(455,546)</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	(44,731)	(2,777,006)	(613,775)	(3,435,512)
FUND BALANCES				
Beginning of year	2,087,699	2,777,006	718,847	5,583,552
End of year	<u>\$ 2,042,968</u>	<u>\$ -</u>	<u>\$ 105,072</u>	<u>\$ 2,148,040</u>

**GRAND HAVEN AREA PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Food Service	Student/School Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 615,314	\$ 1,180,690	\$ 1,796,004
Receivables			
Accounts receivable	2,270	4,696	6,966
Intergovernmental	128,640	-	128,640
Due from other funds	30,000	-	30,000
Inventories	27,552	-	27,552
Prepaid expenses	131,980	-	131,980
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 935,756</u>	<u>\$ 1,185,386</u>	<u>\$ 2,121,142</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 3,873	\$ 11,709	\$ 15,582
Accrued salaries and related items	1,613	11	1,624
Unearned revenue	60,968	-	60,968
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>66,454</u>	<u>11,720</u>	<u>78,174</u>
FUND BALANCES			
Nonspendable			
Inventory	27,552	-	27,552
Prepays	131,980	-	131,980
Restricted for food service	709,770	-	709,770
Committed for student/school activities	-	1,173,666	1,173,666
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>869,302</u>	<u>1,173,666</u>	<u>2,042,968</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 935,756</u>	<u>\$ 1,185,386</u>	<u>\$ 2,121,142</u>

**GRAND HAVEN AREA PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	Food Service	Student/School Activities	Totals
REVENUES			
Local sources			
Food sales	\$ 336,667	\$ -	\$ 336,667
Student/school activities income	-	1,891,014	1,891,014
State sources	1,242,311	-	1,242,311
Federal sources	1,751,675	-	1,751,675
	<u>3,330,653</u>	<u>1,891,014</u>	<u>5,221,667</u>
TOTAL REVENUES			
EXPENDITURES			
Salaries	682,351	-	682,351
Benefits	507,577	-	507,577
Purchased services	440,227	-	440,227
Supplies and materials	1,452,748	-	1,452,748
Capital outlay	239,456	-	239,456
Student/school activities expenditures	-	1,819,701	1,819,701
Other	9,338	-	9,338
	<u>3,331,697</u>	<u>1,819,701</u>	<u>5,151,398</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,044)	71,313	70,269
OTHER FINANCING USES			
Transfers out	<u>(115,000)</u>	<u>-</u>	<u>(115,000)</u>
NET CHANGE IN FUND BALANCES	(116,044)	71,313	(44,731)
FUND BALANCES			
Beginning of year	<u>985,346</u>	<u>1,102,353</u>	<u>2,087,699</u>
End of year	<u>\$ 869,302</u>	<u>\$ 1,173,666</u>	<u>\$ 2,042,968</u>

GRAND HAVEN AREA PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE - FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2025

	GAAP Basis			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 211,500	\$ 296,500	\$ 336,667	\$ 40,167
State sources	1,078,400	1,352,100	1,242,311	(109,789)
Federal sources	1,417,900	1,572,200	1,751,675	179,475
TOTAL REVENUES	2,707,800	3,220,800	3,330,653	109,853
EXPENDITURES				
Current				
Food services	2,670,820	3,165,800	3,331,697	(165,897)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	36,980	55,000	(1,044)	(56,044)
OTHER FINANCING USES				
Transfers out	(175,000)	(115,000)	(115,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(175,000)	(115,000)	(115,000)	-
NET CHANGE IN FUND BALANCE	\$ (138,020)	\$ (60,000)	(116,044)	\$ (56,044)
FUND BALANCE				
Beginning of year			985,346	
End of year			\$ 869,302	

GRAND HAVEN AREA PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE - STUDENT/SCHOOL ACTIVITIES FUND
YEAR ENDED JUNE 30, 2025

	GAAP Basis			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	<u>\$ 1,400,000</u>	<u>\$ 1,650,000</u>	<u>\$ 1,891,014</u>	<u>\$ 241,014</u>
EXPENDITURES				
Current				
Student activities	<u>1,400,000</u>	<u>1,650,000</u>	<u>1,819,701</u>	<u>(169,701)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	71,313	<u><u>\$ 71,313</u></u>
FUND BALANCE				
Beginning of year			<u>1,102,353</u>	
End of year			<u><u>\$ 1,173,666</u></u>	

**GRAND HAVEN AREA PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	<u>2013 Debt</u>	<u>2014 Debt</u>	<u>2017 Debt Refunding</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 137,691	\$ -	\$ 20,049	\$ 157,740
Investments	<u>49,920</u>	<u>69,029</u>	<u>63,236</u>	<u>182,185</u>
TOTAL ASSETS	<u>\$ 187,611</u>	<u>\$ 69,029</u>	<u>\$ 83,285</u>	<u>\$ 339,925</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	<u>\$ 187,611</u>	<u>\$ 69,029</u>	<u>\$ 83,285</u>	<u>\$ 339,925</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 187,611</u>	<u>\$ 69,029</u>	<u>\$ 83,285</u>	<u>\$ 339,925</u>

**GRAND HAVEN AREA PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	2013 Debt	2014 Debt	2017 Debt Refunding	2020 Debt	Totals
REVENUES					
Local sources					
Property taxes	\$ 288,359	\$ 398,755	\$ 369,087	\$ -	\$ 1,056,201
Investment earnings	38,055	50,961	48,130	-	137,146
State sources	48,462	67,015	61,391	-	176,868
TOTAL REVENUES	374,876	516,731	478,608	-	1,370,215
EXPENDITURES					
Principal repayment	1,010,000	1,400,000	1,270,000	-	3,680,000
Interest	32,825	42,000	50,800	-	125,625
Other expenses	250	300	500	-	1,050
TOTAL EXPENDITURES	1,043,075	1,442,300	1,321,300	-	3,806,675
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(668,199)	(925,569)	(842,692)	-	(2,436,460)
OTHER FINANCING SOURCES (USES)					
Transfers in	5,944	222,276	174,455	-	402,675
Transfers out	-	-	-	(743,221)	(743,221)
TOTAL OTHER FINANCING SOURCES (USES)	5,944	222,276	174,455	(743,221)	(340,546)
NET CHANGE IN FUND BALANCES	(662,255)	(703,293)	(668,237)	(743,221)	(2,777,006)
FUND BALANCES					
Beginning of year	662,255	703,293	668,237	743,221	2,777,006
End of year	\$ -	\$ -	\$ -	\$ -	\$ -

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION OVERVIEW
2024-2025**

The Statistical section contains detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. The schedules in this section are segregated into various categories as noted below:

FINANCIAL TRENDS

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

REVENUE & DEBT CAPACITY

These schedules contain information to help the reader assess the factors affecting the District's revenue generating capacity, the affordability of the District's current levels of outstanding debt, and the District's ability to issue additional debt in the future. It should be noted that school funding in Michigan is based on per student "foundation" amount that is determined by the State of Michigan. Some of the amount determined by the State is raised locally through millage on "Non-Principal Residence Exemption" property tax values. The State makes up the difference between what is raised locally and what is the State determined revenue amount due to our District. As such, the District's ability to generate unrestricted revenues via local property taxes is severely limited.

DEMOGRAPHIC & ECONOMIC INFORMATION

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

OPERATIONAL INFORMATION

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

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FINANCIAL TRENDS
NET POSITION BY COMPONENT
2016-2025**

<i>Year Ended June 30,</i>	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	\$ 30,155,686	\$ 32,354,341	\$ 33,194,902	\$ 35,596,098	\$ 38,430,186	\$ 43,303,933	\$ 47,518,731	\$ 54,240,374	\$ 55,391,467	\$ 55,214,351
Restricted	528,602	659,405	81,820	41,024	789,895	684,639	973,536	1,825,033	5,119,852	17,957,517
Unrestricted	(86,289,352)	(86,829,339)	(126,284,111)	(130,317,765)	(138,081,711)	(146,878,005)	(135,850,251)	(132,690,314)	(122,997,068)	(121,740,096)
Total Primary Government Net Position	\$ (55,605,064)	\$ (53,815,593)	\$ (93,007,389)	\$ (94,680,643)	\$ (98,861,630)	\$ (102,889,433)	\$ (87,357,984)	\$ (76,624,907)	\$ (62,485,749)	\$ (48,568,228)

Note: Net Position was restated for fiscal year 2015 as of July 1 , 2014 with the implementation of GASB Statements 68 and 71.

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

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

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

Source: Grand Haven Public School District's annual financial reports

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FINANCIAL TRENDS
CHANGES IN NET POSITION
2016-2025**

<i>Year Ended June 30,</i>	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
Instruction	\$ 53,119,747	\$ 47,065,797	\$ 44,724,409	\$ 48,633,977	\$ 51,794,516	\$ 54,454,025	\$ 43,407,897	\$ 49,654,061	\$ 48,948,307	\$ 44,620,630
Support services	21,080,485	21,487,633	25,547,640	25,806,855	27,670,710	27,211,374	24,310,185	29,235,899	30,952,479	28,360,324
Community services	1,324,940	1,301,808	1,391,535	1,515,729	1,222,083	826,998	577,738	746,055	837,537	803,464
Outgoing transfers and other	-	-	-	-	-	-	-	28,800	76,800	67,200
Food services	1,855,018	1,947,701	1,911,797	1,949,196	2,065,367	1,974,372	1,975,548	2,002,315	2,540,628	2,912,094
Athletic activities	1,128,441	1,169,455	1,168,958	1,292,672	1,287,282	1,143,151	1,248,340	1,504,370	1,394,374	1,641,581
Student/school activities	-	-	-	-	1,348,082	547,828	1,249,894	1,296,812	1,793,961	1,819,701
Interest on long-term debt	1,832,098	1,688,113	1,505,241	1,179,447	1,067,610	1,046,442	667,526	510,393	288,902	115,156
Unallocated depreciation	4,243,845	4,140,919	4,067,522	4,176,631	4,216,351	4,363,569	4,457,000	4,571,176	4,624,265	4,548,412
Total Expenses	84,584,574	78,801,426	80,317,102	84,554,507	90,672,001	91,567,759	77,894,128	89,549,881	91,457,253	84,888,562
Program Revenues										
Governmental Activities										
Charges for services:										
Instruction	2,261,409	2,411,020	2,758,752	2,797,372	4,145,538	2,016,842	172,390	84,774	81,190	-
Support services	145,421	191,609	164,575	154,812	92,248	504,211	43,098	21,193	20,298	-
Community services	1,243,362	1,213,413	1,279,651	1,280,919	771,788	439,607	585,974	519,980	608,904	525,171
Food services	772,518	768,360	783,320	751,612	627,185	44,025	148,815	871,122	194,454	336,667
Athletic activities	355,659	422,727	398,039	408,039	269,234	171,366	335,538	337,186	250,473	234,525
Operating grants and contributions	19,926,679	20,647,888	20,789,936	20,463,689	22,836,697	20,829,733	23,571,894	21,041,600	35,057,184	36,199,230
Total Program Revenues	24,705,048	25,655,017	26,174,273	25,856,443	28,742,690	24,005,784	24,857,709	22,875,855	36,212,503	37,295,593
Net Expense	\$ (59,879,526)	\$ (53,146,409)	\$ (54,142,829)	\$ (58,698,064)	\$ (61,929,311)	\$ (67,561,975)	\$ (53,036,419)	\$ (66,674,026)	\$ (55,244,750)	\$ (47,592,969)

Source: Grand Haven Public School District's annual financial reports

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FINANCIAL TRENDS
CHANGES IN NET POSITION (CONCLUDED)
2016-2025**

Year Ended June 30,	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Expense	\$ (59,879,526)	\$ (53,146,409)	\$ (54,142,829)	\$ (58,698,064)	\$ (61,929,311)	\$ (67,561,975)	\$ (53,036,419)	\$ (66,674,026)	\$ (55,244,750)	\$ (47,592,969)
General Revenues										
Governmental Activities										
Taxes:										
Property taxes levied for operations	17,262,448	17,541,409	14,758,271	14,977,657	15,222,065	-	-	-	-	-
Property taxes levied for general purposes	-	-	-	-	-	15,495,075	15,843,427	16,829,629	18,696,649	19,743,584
Property taxes levied for debt service	9,501,150	9,556,131	8,564,884	10,111,904	10,475,730	10,567,260	10,905,682	11,584,698	6,791,137	1,056,201
Property taxes levied for repair & improvement	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	54,005	75,033	299,226	641,251	421,509	39,283	(35,321)	899,648	1,136,011	757,998
State Sources -unrestricted	27,463,938	27,624,149	30,755,934	31,165,280	30,553,999	30,758,622	32,331,098	37,244,988	32,948,889	30,045,366
Intermediate Sources	-	-	-	-	-	6,083,829	8,881,722	9,304,335	9,630,744	10,636,307
Gain on sale of capital assets	-	-	-	32,618	6,571	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	(351,352)	-
Miscellaneous	91,029	139,158	102,230	96,100	153,915	590,103	641,260	1,543,805	578,830	621,222
Total General Revenues	54,372,570	54,935,880	54,480,545	57,024,810	56,833,789	63,534,172	68,567,868	77,407,103	69,430,908	62,860,678
Change in Net Position	(5,506,956)	1,789,471	337,716	(1,673,254)	(5,095,522)	(4,027,803)	15,531,449	10,733,077	14,186,158	15,267,709
Prior period adjustment or restatement	-	-	(39,529,512)	-	914,535	-	-	-	-	(1,350,188)
Net Position - Beginning of Year	(50,098,108)	(55,605,064)	(53,815,593)	(93,007,389)	(94,680,643)	(98,861,630)	(102,889,433)	(87,357,984)	(76,624,907)	(62,485,749)
Net Position - End of Year	\$ (55,605,064)	\$ (53,815,593)	\$ (93,007,389)	\$ (94,680,643)	\$ (98,861,630)	\$ (102,889,433)	\$ (87,357,984)	\$ (76,624,907)	\$ (62,438,749)	\$ (48,568,228)

Note: Net Position was restated for fiscal year 2015 as of July 1, 2014 with the implementation of GASB Statements 68 and 71.

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

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

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

Source: Grand Haven Public School District's annual financial reports

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FINANCIAL TRENDS
FUND BALANCES - GOVERNMENTAL FUNDS
2016-2025**

<i>Year Ended June 30,</i>	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 193,199	\$ 207,782	\$ 230,006	\$ 350,445	\$ 397,163	\$ 429,935	\$ 453,591	\$ 756,387	\$ 688,759	\$ 788,690
Assigned	-	-	-	-	-	1,108,676	1,035,483	1,438,793	2,358,674	5,701,105
Unassigned	5,589,022	6,516,860	6,981,777	7,703,216	8,185,911	8,059,357	8,833,910	8,103,170	7,246,133	2,914,111
Total General Fund	5,782,221	6,724,642	7,211,783	8,053,661	8,583,074	9,597,968	10,322,984	10,298,350	10,293,566	9,403,906
All Other Government Funds										
Nonspendable	41,023	47,131	34,088	32,855	53,407	141,996	133,023	137,438	139,492	159,532
Restricted for capital projects	5,161,280	11,310,378	7,359,030	3,976,795	10,723,763	9,280,080	5,170,922	3,940,606	1,622,169	242,704
Restricted for debt service	-	-	-	-	-	820,478	1,009,455	1,848,213	2,777,006	-
Restricted for food service	-	-	-	-	-	-	523,501	811,508	845,854	709,770
Restricted for nonmajor funds	818,420	3,532,306	1,256,105	1,411,374	2,703,139	-	-	-	-	-
Committed for student/school activities	-	-	-	-	787,549	905,836	1,048,544	1,090,267	1,102,353	1,173,666
Assigned	-	-	-	-	-	800,000	1,163,504	1,081,137	718,847	105,072
Unassigned	-	-	-	-	-	(25,008)	-	-	-	-
Total All Other Government Funds	6,020,723	14,889,815	8,649,223	5,421,024	14,267,858	11,923,382	9,048,949	8,909,169	7,205,721	2,390,744
Total Fund Balances	\$ 11,802,944	\$ 21,614,457	\$ 15,861,006	\$ 13,474,685	\$ 22,850,932	\$ 21,521,350	\$ 19,371,933	\$ 19,207,519	\$ 17,499,287	\$ 11,794,650

Note: The District reclassified fund balance descriptions in the government fund statements beginning in fiscal year 2021 when the district changed audit firms.

Source: Grand Haven Public School District's annual financial reports

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FINANCIAL TRENDS
GOVERNMENTAL FUNDS REVENUES
2016-2025**

<i>Year Ended June 30,</i>	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Federal Sources										
Federal Grants	\$ 2,424,057	\$ 2,343,119	\$ 2,243,393	\$ 2,515,165	\$ 2,444,635	\$ 4,780,869	\$ 5,919,675	\$ 7,388,671	\$ 5,251,534	\$ 2,391,014
Food Service Fund	1,011,818	1,005,941	1,032,476	1,005,347	1,306,243	1,681,228	2,481,039	1,452,844	1,615,981	1,751,675
Total Federal Sources	3,435,875	3,349,060	3,275,869	3,520,512	3,750,878	6,462,097	8,400,714	8,841,515	6,867,515	4,142,689
State Sources										
Restricted	10,547,215	11,222,507	12,653,675	12,313,576	13,251,021	14,418,515	14,951,775	15,231,195	23,538,116	56,198,204
Unrestricted	27,463,938	27,624,149	30,755,934	31,165,280	30,553,999	30,758,622	32,331,098	37,244,988	32,948,889	1,419,179
Total State Sources	38,011,153	38,846,656	43,409,609	43,478,856	43,805,020	45,177,137	47,282,873	52,476,183	56,487,005	57,617,383
Other Governmental Units										
Ottawa Area ISD and Other Districts	7,964,958	8,135,572	7,358,855	7,097,083	6,090,619	6,083,829	8,881,722	9,304,335	9,630,744	10,636,307
Miscellaneous	-	-	-	-	2,456,800	2,521,053	215,488	105,967	101,488	-
Total Other Governmental Units	7,964,958	8,135,572	7,358,855	7,097,083	8,547,419	8,604,882	9,097,210	9,410,302	9,732,232	10,636,307
Local Sources										
Property Taxes	26,763,598	27,097,540	23,323,155	25,089,561	25,697,795	26,062,335	26,749,109	28,414,327	25,487,786	20,799,785
Food Service Fund	1,074,242	1,081,202	1,109,365	1,081,318	627,185	44,025	148,815	871,122	194,454	336,667
Athletic Fund	353,452	412,834	397,406	408,039	269,234	6,540	140,886	142,697	142,639	131,031
Student/School Activity	-	-	-	-	-	666,115	1,392,602	1,383,688	1,806,047	1,891,014
Grants and Fees	-	-	-	-	1,221,096	-	-	-	-	-
Interest and Other Income	54,005	75,033	299,226	641,251	421,509	39,280	(35,321)	899,648	1,136,011	757,998
Miscellaneous	1,420,335	1,593,000	1,481,333	1,532,015	1,229,772	1,194,539	1,421,886	2,173,257	1,232,296	1,249,887
Total Local Sources	29,665,632	30,259,609	26,610,485	28,752,184	29,466,591	28,012,834	29,817,977	33,884,739	29,999,233	25,166,382
Total Revenues	\$ 79,077,618	\$ 80,590,897	\$ 80,654,818	\$ 82,848,635	\$ 85,569,908	\$ 88,256,950	\$ 94,598,774	\$ 104,612,739	\$ 103,085,985	\$ 97,562,761

Source: Grand Haven Public School District's annual financial reports

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FINANCIAL TRENDS
GOVERNMENTAL FUNDS EXPENDITURES & DEBT SERVICE RATIO
2016-2025**

<i>Year Ended June 30,</i>	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenditures										
Instruction	\$ 43,653,792	\$ 44,507,532	\$ 44,655,952	\$ 44,950,310	\$ 45,663,159	\$ 46,441,442	\$ 48,726,439	\$ 54,589,372	\$ 54,743,052	\$ 55,206,453
Pupil support services	4,794,554	4,910,358	5,323,494	5,386,800	6,174,958	6,699,852	7,206,786	7,272,692	8,206,795	8,349,637
Instructional support services	2,262,412	1,980,383	1,972,542	2,053,325	1,939,011	2,141,169	3,317,036	4,381,309	4,545,053	4,922,446
General administration	775,057	760,981	862,828	796,035	847,898	835,078	1,053,236	937,964	1,043,663	1,197,982
School administration	3,169,133	3,325,159	3,377,054	3,435,378	3,747,323	3,814,505	4,003,523	4,741,033	4,676,129	4,802,535
Business services	756,135	782,372	862,856	857,767	824,226	761,723	733,889	774,252	889,043	913,748
Operations and maintenance	4,981,043	5,176,268	5,369,420	5,541,746	5,508,974	6,086,484	6,094,976	7,355,276	7,825,764	7,809,643
Pupil transportation services	2,743,391	2,942,741	2,921,175	2,798,455	2,707,158	2,512,524	2,867,234	2,919,978	2,989,074	2,909,448
Central support services	1,200,679	1,191,113	1,431,795	1,337,915	1,449,259	1,548,547	2,107,024	2,593,918	2,724,870	3,069,269
Other support services	1,106,574	1,157,355	1,167,226	1,238,508	1,176,052	1,149,531	1,261,347	1,807,571	1,895,417	1,928,592
Community services	967,203	965,407	1,058,640	1,057,031	1,075,956	725,715	681,376	823,474	934,962	983,610
Food service	1,828,669	1,932,367	1,909,939	1,891,091	1,946,652	1,880,517	2,080,984	2,111,603	2,861,012	3,331,697
Recreational/school activities	320,763	315,123	330,075	370,502	1,348,082	547,828	1,249,894	1,341,965	1,793,961	1,819,701
Capital outlay	8,974,228	4,693,097	5,471,806	3,719,973	3,453,195	3,525,055	4,264,374	1,841,432	3,112,013	2,099,515
Debt Service										
Principal	7,345,000	7,511,000	7,516,000	7,947,000	8,437,000	9,803,000	10,279,000	10,770,000	6,085,000	3,680,000
Interest and other	2,298,831	2,038,232	2,234,492	1,885,738	1,664,211	1,113,562	821,073	564,331	484,458	243,345
Total Expenditures	\$ 87,177,464	\$ 84,189,488	\$ 86,465,294	\$ 85,267,574	\$ 87,963,114	\$ 89,586,532	\$ 96,748,191	\$ 104,826,170	\$ 104,810,266	\$ 103,267,621
Debt Service as a Percentage of										
Noncapital Expenditures	12.3%	12.0%	12.0%	12.1%	12.0%	12.7%	12.0%	11.0%	6.5%	3.9%

Source: Grand Haven Public School District's annual financial reports

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FINANCIAL TRENDS
OTHER FINANCING SOURCES (USES) AND NET CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
2016-2025**

<i>Year Ended June 30,</i>	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Excess (Deficiency) of Revenues Over										
(Under) Expenditures	\$ (8,099,846)	\$ (3,598,591)	\$ (5,810,476)	\$ (2,418,939)	\$ (2,393,206)	\$ (1,329,582)	\$ (2,149,417)	\$ (249,431)	\$ (1,771,281)	\$ (5,704,860)
Other Financing Sources (Uses)										
Issuance of Bonds	\$ -	\$ 12,400,000	\$ 7,735,000	\$ -	\$ 16,980,000	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on Bonds Issued	-	1,001,821	740,075	-	-	-	-	-	-	-
Payment to Escrow Agent	-	-	(8,432,130)	-	(6,131,653)	-	-	-	-	-
Proceeds From Sale of Capital Assets	20,391	8,283	14,080	32,618	6,571	-	-	85,017	63,272	-
Transfers In	52,642	919,103	185,253	212,245	107,527	993,145	700,199	407,025	410,000	858,221
Transfers Out	(52,642)	(919,103)	(185,253)	(212,245)	(107,527)	(993,145)	(700,199)	(407,025)	(410,000)	(858,221)
Total Other Financing Sources (Uses)	20,391	13,410,104	57,025	32,618	10,854,918	-	-	85,017	63,272	-
Net Change in Fund Balances	\$ (8,079,455)	\$ 9,811,513	\$ (5,753,451)	\$ (2,386,321)	\$ 8,461,712	\$ (1,329,582)	\$ (2,149,417)	\$ (164,414)	\$ (1,708,009)	\$ (5,704,860)

Source: Grand Haven Public School District's annual financial reports

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
REVENUE & DEBT CAPACITY
TAXABLE VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
FISCAL YEARS 2015-2016 THROUGH 2024-2025
(RATE PER \$1,000 OF ASSESSED VALUE)**

<i>Tax Year</i>	Fiscal Year	Estimated Market Value	State Equalized Value
2015	2015-16	\$ 5,215,573,892	\$ 2,607,786,946
2016	2016-17	5,488,057,240	2,744,028,620
2017	2017-18	5,802,733,186	2,901,366,593
2018	2018-19	5,817,762,076	2,908,881,038
2019	2019-20	6,043,212,600	3,021,606,300
2020	2020-21	6,441,832,948	3,220,916,474
2021	2021-22	6,781,808,262	3,390,904,131
2022	2022-23	7,224,898,874	3,612,449,437
2023	2023-24	8,006,133,900	4,003,066,950
2024	2024-25	8,603,949,400	4,301,974,700

Source: Ottawa County Equalization & Apportionment Reports
Michigan Department of Treasury; State Tax Commission; Taxable Valuations

<i>Tax Year</i>	Taxable Value			District Tax Rates		
	Non-Homestead Property	Homestead Property	Total	Operating	Debt	Total
2015	\$ 1,081,210,602	\$ 1,184,334,000	\$ 2,265,544,602	18.0000	4.1700	22.1700
2016	905,743,609	1,232,598,414	2,138,342,023	18.0000	4.1200	22.1200
2017	888,420,136	1,295,438,008	2,183,858,144	18.0000	4.1200	22.1200
2018	991,687,654	1,365,171,084	2,356,858,738	18.0000	4.2000	22.2000
2019	997,822,864	1,444,204,267	2,442,027,131	18.0000	4.2000	22.2000
2020	997,981,507	1,522,266,569	2,520,248,076	18.0000	4.2000	22.2000
2021	995,524,895	1,597,374,391	2,592,899,286	18.0000	4.2000	22.2000
2022	1,063,830,911	1,699,918,299	2,763,749,210	18.0000	4.2000	22.2000
2023	1,135,282,051	1,827,849,982	2,963,132,033	18.0000	2.2900	20.2900
2024	1,133,439,500	2,092,799,804	3,226,239,304	18.0000	0.3300	18.3300

Source: Ottawa County Equalization & Apportionment Reports
Michigan Department of Treasury; State Tax Commission; Taxable Valuations

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
REVENUE & DEBT CAPACITY
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)**

District Tax Rates				
<i>Tax Year</i>	Fiscal Year	Operating	Debt	Total
2015	2015-16	18.0000	4.1700	22.1700
2016	2016-17	18.0000	4.1200	22.1200
2017	2017-18	18.0000	4.1200	22.1200
2018	2018-19	18.0000	4.2000	22.2000
2019	2019-20	18.0000	4.2000	22.2000
2020	2020-21	18.0000	4.2000	22.2000
2021	2021-22	18.0000	4.2000	22.2000
2022	2022-23	18.0000	4.2000	22.2000
2023	2023-24	18.0000	2.2900	20.2900
2024	2024-25	18.0000	0.3300	18.3300

Source: Ottawa County Equalization Department and District records.

Overlapping Rates

<i>Tax Year</i>	Fiscal Year	Grand Haven Township	Port Sheldon Township	Robinson Township	Spring Lake Township and Village	Ferrysburg City	Grand Haven City
2015	2015-16	4.4871	1.4500	3.4557	2.2120	9.8486	14.1110
2016	2016-17	4.8651	1.4880	3.4320	2.0149	9.6849	13.9090
2017	2017-18	4.6117	1.4488	3.4247	2.0950	9.5674	14.5066
2018	2018-19	5.1525	1.4488	3.3933	2.2730	9.4637	14.4767
2019	2019-20	4.7192	1.4488	3.3871	2.2680	9.4752	14.4736
2020	2020-21	4.7038	2.1997	3.5254	2.2822	9.2939	14.4678
2021	2021-22	5.1061	2.1997	3.4848	2.2769	9.1515	14.4534
2022	2022-23	5.1322	2.1997	3.4320	2.2575	10.5943	13.9370
2023	2023-24	6.0322	2.1997	3.4320	2.2429	10.5943	14.5091
2024	2024-25	5.9035	2.2500	3.3976	2.8061	9.8058	14.4620

Source: Ottawa County Equalization Department and District records

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
REVENUE & DEBT CAPACITY
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)**

Year Ended June 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Ferrysburg (Ottawa)	\$ 3,078,663	100.00%	\$ 3,078,663
Grand Haven (Ottawa)	17,997,523	100.00%	17,997,523
Norton Shores (Muskegon)	11,386,073	16.13%	1,836,574
Grand Haven Township (Ottawa)	27,249,029	100.00%	27,249,029
Spring Lake Township (Ottawa)	12,127,334	16.71%	2,026,478
Muskegon County	132,882,236	3.06%	4,066,196
Ottawa County	77,581,893	18.03%	13,988,015
Ottawa I/S/D	23,375,000	16.90%	3,950,375
Muskegon Community College	21,160,000	3.06%	647,496
Loutit District Library	1,105,000	98.11%	1,084,116
Subtotal, overlapping debt			75,924,464
District Direct Debt			-
Total Direct and Overlapping Debt			\$ 75,924,464

Note: Overlapping debt is determined by applying the percentage of the school district's taxable value to the respective jurisdiction's entire taxable value times the jurisdiction's total tax supported debt.

Source: Municipal Advisory Council of Michigan & Ottawa County Equalization Department and District records

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
REVENUE & DEBT CAPACITY
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Year Ended December 31,			2024			2015				
Taxpayer	Ad Valorem Taxable Value	Rank	Percentage of Total Taxable Value	Equivalent Industrial Facilities Tax (IFT)	IFT and Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value	Equivalent Industrial Facilities Tax (IFT)	IFT and Taxable Value
Consumers Energy	\$ 93,419,768	1	2.90%	\$ -	\$ 93,419,768	\$ 302,501,062	1	13.40%	\$ -	\$ 302,501,062
Shape Corp.	33,438,400	2	1.04%	-	33,438,400	35,719,409	2	1.58%	-	35,719,409
TEG Timberview 1 LLC	14,020,864	3	0.43%	-	14,020,864					
Michigan Electric Transmission Co	12,869,100	4	0.40%	-	12,869,100	5,709,400	8	0.25%	-	5,709,400
Universal Properties PLA LLC	12,579,980	5	0.39%	-	12,579,980					
MTMG LXVIII Woodland Ridge LLC	11,666,550	6	0.36%	-	11,666,550					
Peerless Caddis LLC	9,679,320	7	0.30%	-	9,679,320					
Verplank Coal & Dock	9,279,171	8	0.29%	-	9,279,171					
Lakeshore Gardens Apartments LLC	9,091,728	9	0.28%	-	9,091,728					
TEG Grand Landing LLC	8,950,425	10	0.28%	-	8,950,425					
TVA Acquisition						8,100,600	3	0.36%	-	8,100,600
GHSP Inc./GH Stamped Products						5,451,600	4	0.24%	2,073,887	7,525,487
MIMG LXVIII Woodland Ridge LLC						6,413,337	5	0.28%	-	6,413,337
Meijer Inc.						6,252,200	6	0.28%	-	6,252,200
Norton Shores LTD						6,073,235	7	0.27%	-	6,073,235
NPR of America, Inc.						-	9	0.00%	5,660,800	5,660,800
TEG 43 North LLC						5,467,680	10	0.24%	-	5,467,680
Total principal taxpayers	214,995,306		6.66%	\$ -	\$ 214,995,306	381,688,523		16.91%	\$ 7,734,687	\$ 389,423,210
Balance of valuations	3,011,243,998		93.34%			1,876,129,911		83.09%		
Total Ad Valorem Valuation	\$ 3,226,239,304		100.00%			\$ 2,257,818,434		100.00%		

Source: Ottawa County 2024 Comprehensive Annual Financial Report

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
REVENUE & DEBT CAPACITY
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2015-2016 THROUGH 2024-2025**

Collected within the Fiscal Year of the Levy					Total Collections to Date		
<i>Tax Year</i>	<i>Fiscal Year</i>	<i>Taxes Levied for the Fiscal Year</i>	<i>Amount</i>	<i>Percentage of Levy</i>	<i>Collections (Refunds) After Year End</i>	<i>Total Collection Amount</i>	<i>Percentage of Levy</i>
2015	2015-16	\$ 17,228,458	\$ 14,738,235	85.55%	\$ 2,482,340	17,220,575	99.95%
2016	2016-17	17,439,260	17,138,200	98.27%	278,882	17,417,082	99.87%
2017	2017-18	14,750,011	14,474,696	98.13%	263,539	14,738,235	99.92%
2018	2018-19	15,127,553	14,902,621	98.51%	105,660	15,008,281	99.21%
2019	2019-20	15,196,281	14,909,065	98.11%	277,760	15,186,825	99.94%
2020	2020-21	15,412,262	15,215,020	98.72%	197,242	15,412,262	100.00%
2021	2021-22	15,718,925	15,562,106	99.00%	156,819	15,718,925	100.00%
2022	2022-23	16,735,635	16,488,409	98.52%	247,226	16,735,635	100.00%
2023	2023-24	18,305,545	17,907,949	97.83%	397,596	18,305,545	100.00%
2024	2024-25	19,876,000	In Process of Collection		In Process of Collection		0.00%

Source: Grand Haven Public School District's Financial Reports and accounting records

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
REVENUE & DEBT CAPACITY
OUTSTANDING DEBT BY TYPE
FISCAL YEARS 2015-2016 THROUGH 2024-2025**

Tax Year	Fiscal Year	General Obligation Bonds	Total Taxable Value	Outstanding Debt as a % of Taxable Value	Estimated Population	Net Outstanding Debt Per Capita	Taxable Value Per Capita	Percentage of Personal Income
2015	2015-16	\$ 48,725,000	\$ 2,265,544,602	2.15%	41,110	\$ 1,185	\$ 55,109	0.40%
2016	2016-17	53,640,000	2,138,342,023	2.51%	41,747	1,285	51,221	0.42%
2017	2017-18	45,785,000	2,183,858,144	2.10%	42,354	1,081	51,562	0.34%
2018	2018-19	37,865,000	2,356,858,738	1.61%	42,679	887	55,223	0.27%
2019	2019-20	41,728,445	2,442,027,131	1.71%	42,832	974	57,014	0.16%
2020	2020-21	31,471,174	2,520,248,076	1.25%	43,981	716	57,303	0.20%
2021	2021-22	20,889,232	2,592,899,286	0.81%	44,318	471	58,507	0.12%
2022	2022-23	9,942,116	2,763,749,210	0.36%	44,545	223	62,044	0.05%
2023	2023-24	3,739,039	2,963,132,033	0.13%	43,821	85	67,619	0.02%
2024	2024-25	-	3,226,239,304	0.00%	44,566	-	72,392	N/A

Source: Ottawa County Equalization Department and District's records

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
REVENUE & DEBT CAPACITY
RATIO OF OUTSTANDING DEBT
FISCAL YEARS 2015-2016 THROUGH 2024-2025**

<i>Tax Year</i>	<i>Fiscal Year</i>	General Obligation Bonds	Net General Bonded Debt	State Equalized Value (SEV)	Percent of Net Bonded Debt to State Equalized Value (SEV)	Percent of Bonded Debt to Estimated Actual Value of Taxable Property	Estimated Population	Net General Bonded Debt per Capita
2015	2015-16	\$ 48,725,000	\$ 48,725,000	\$ 2,607,786,946	1.87%	3.74%	41,110	\$ 1,185
2016	2016-17	53,640,000	53,640,000	2,744,028,620	1.95%	3.91%	41,747	1,285
2017	2017-18	45,785,000	45,785,000	2,901,366,593	1.58%	3.16%	42,354	1,081
2018	2018-19	37,865,000	37,865,000	2,908,881,038	1.30%	2.60%	42,679	887
2019	2019-20	41,728,445	41,728,445	3,021,606,300	1.38%	2.76%	42,832	974
2020	2020-21	31,471,174	31,471,174	3,220,916,474	0.98%	1.95%	43,981	716
2021	2021-22	20,889,232	20,889,232	3,390,904,131	0.62%	1.23%	44,318	471
2022	2022-23	9,942,116	9,942,116	3,612,449,437	0.28%	0.55%	44,545	223
2023	2023-24	3,680,000	3,680,000	4,003,066,950	0.09%	0.18%	43,821	84
2024	2024-25	-	-	4,301,974,700	0.00%	0.00%	44,566	-

Source: Ottawa County Equalization Department and District's records

Note: Population estimated based on an extrapolation of the U.S. Census figures of the local units within the School District.

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
REVENUE & DEBT CAPACITY
LEGAL DEBT MARGIN INFORMATION
FISCAL YEARS 2015-2016 THROUGH 2024-2025**

Legal Debt Margin Calculation for Fiscal Year 2024-25:

State Equalized Valuation (SEV), July 1, 2024	\$4,301,974,700
Statutory Debt Limit (15% of SEV)	\$645,296,205
Debt applicable to limit	1,400,000

Legal Debt Margin	\$643,896,205
--------------------------	----------------------

<i>Tax Year</i>	<i>Fiscal Year</i>	State Equalized Value (SEV)	Statutory Debt Limit 15% of SEV	Debt Subject to Debt Limit	Legal Debt Margin	Debt as a Percentage of Debt Limit
2015	2015-16	\$ 2,607,786,946	\$ 391,168,042	\$ 16,935,000	\$ 374,233,042	4.33%
2016	2016-17	2,744,028,620	411,604,293	14,010,000	397,594,293	3.40%
2017	2017-18	2,901,366,593	435,204,989	23,425,000	411,779,989	5.38%
2018	2018-19	2,908,881,038	436,332,156	16,750,000	419,582,156	3.84%
2019	2019-20	3,021,606,300	453,240,945	15,375,000	437,865,945	3.39%
2020	2020-21	3,220,916,474	483,137,471	21,505,000	461,632,471	4.45%
2021	2021-22	3,390,904,131	508,635,620	19,685,000	488,950,620	3.87%
2022	2022-23	3,612,449,437	541,867,416	13,675,000	528,192,416	2.52%
2023	2023-24	4,003,066,950	600,460,043	5,200,000	595,260,043	0.87%
2024	2024-25	4,301,974,700	645,296,205	1,400,000	643,896,205	0.22%

Source: Ottawa County Equalization Department and District records

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
DEMOGRAPHIC & ECONOMIC INFORMATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
FISCAL YEARS 2015-2016 THROUGH 2024-2025**

Tax Year	Fiscal Year	Estimated Population	Unemployment				Personal Income	
			City of Grand Haven	County Of Ottawa	State of Michigan	Inflation Rate	Total (in thousands)	Per Capita
2015	2015-16	41,110	3.0%	3.2%	4.9%	0.1%	\$ 12,197,346	\$ 43,255
2016	2016-17	41,747	N/A	3.1%	3.8%	1.3%	12,717,256	44,589
2017	2017-18	42,354	N/A	3.1%	4.5%	2.1%	13,380,957	46,466
2018	2018-19	42,679	N/A	3.2%	4.2%	2.4%	13,938,739	47,845
2019	2019-20	42,832	N/A	11.0%	14.8%	1.8%	25,431,649	49,181
2020	2020-21	43,981	N/A	4.3%	5.0%	1.2%	15,899,412	53,553
2021	2021-22	44,318	N/A	3.6%	4.3%	4.7%	17,621,225	59,069
2022	2022-23	44,545	N/A	3.5%	3.6%	8.0%	18,358,772	61,018
2023	2023-24	43,821	N/A	2.7%	4.3%	3.4%	19,192,878	63,265
2024	2024-25	44,566	N/A	4.1%	5.2%	2.9%	N/A	N/A

Source: Federal Reserve Economic Data

Source: U.S. Department of Labor - Bureau of Labor Statistics

Source: U.S. Department of Commerce, Bureau of Economic Analysis and Ottawa County

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
DEMOGRAPHIC & ECONOMIC INFORMATION
PRINCIPAL EMPLOYERS IN WEST MICHIGAN
2024 AND NINE YEARS AGO**

Year Ended December 31,

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

Source: Ottawa County 2024 Audited Financial Statements

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
DEMOGRAPHIC & ECONOMIC INFORMATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
FISCAL YEARS 2015-2016 THROUGH 2024-2025**

Full-Time-Equivalent Employees as of June 30,

Employee Category	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administrators	19	19	19	21	21	30	29	31	30	34
Teachers	372	384	392	404	387	394	393	404	410	388
Clerical/Secretarial	36	36	36	36	35	36	36	36	44	44
Serv. Employees/Bus Drivers	119	117	119	115	114	120	127	122	122	128
Teachers Asst.	173	145	162	162	123	169	177	194	211	199
Non-Association	136	137	128	133	124	122	127	112	110	100
Total	855	838	856	871	804	871	889	899	927	893

Source: Grand Haven Public School District's payroll records

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
OPERATIONAL INFORMATION
OPERATING STATISTICS
FISCAL YEARS 2015-2016 THROUGH 2024-2025**

Fiscal Year	Enrollment	Percent Change	Operating Expenditures	Percent Change	Cost Per Pupil	Percent Change	Percent of Students Receiving Free or Reduced-Price Meals
2015-16	6,250	-0.28%	\$ 66,438,451	4.26%	\$ 10,631	4.55%	34.37%
2016-17	6,195	-0.88%	67,728,693	1.94%	10,933	2.85%	32.73%
2017-18	6,178	-0.27%	69,031,517	1.92%	11,173	2.20%	34.89%
2018-19	6,078	-1.62%	69,482,324	0.65%	11,432	2.31%	31.91%
2019-20	5,995	-1.36%	71,142,528	2.39%	11,866	3.80%	31.26%
2020-21	5,917	-1.31%	72,854,127	2.41%	12,313	3.77%	31.06%
2021-22	5,516	-6.77%	78,091,727	7.19%	14,157	14.97%	33.15%
2022-23	5,396	-2.19%	88,265,389	13.03%	16,359	15.56%	32.50%
2023-24	5,306	-1.65%	90,624,632	2.67%	17,079	4.40%	34.32%
2024-25	5,211	-1.79%	84,911,467	-6.30%	16,293	-4.60%	36.84%

Source: Grand Haven Public School District's records

**GRAND HAVEN AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
OPERATIONAL INFORMATION
SCHOOL BUILDING INFORMATION
FISCAL YEARS 2015-2016 THROUGH 2024-2025**

Site	Grade Configuration	Acreage	Date Originally Constructed	Additions	Square Feet
Ferry Elementary	K-4	6.4	1928	1970, 1990	52,000
Griffin Elementary	K-4	9	1967	1970, 1990,	42,380
Lake Hills Elementary	K-4	39.3	1970		37,300
Mary A White Elementary	K-4	9.28	1958	1963, 1989	39,070
				1963, 1965,	46,390
	K-4	49.3	1952	1981, 1988,	
Peach Plains Elementary				1990	
				1965, 1971,	47,000
	K-4	19.7	1958	1981, 1988,	
Robinson Elementary				1990	
				1970, 1981,	37,700
Rosy Mound Elementary	K-4	11.2	1965	1988, 1990	
Central High School	9-12	2.4	1964	1968	30,900
Grand Haven High School	9-12	129.6	1997	1999	387,000
Lakeshore Middle School	7-8	16.12	1953	1968	161,000
White Pines Intermediate	5-6	27.82	1965	1970	158,000
Education Service Center	N/A	w/ WPI	1978		34,000
Transportation Barn	N/A	w/ WPI	1978		8,800

Source: Grand Haven Public School District's records



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

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

To the Board of Education of
Grand Haven Area 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 Grand Haven Area Public Schools as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Grand Haven Area Public Schools' basic financial statements and have issued our report thereon dated October 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grand Haven Area Public Schools' internal control over financial reporting (internal control) to determine the 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 Grand Haven Area Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Grand Haven Area 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grand Haven Area 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Maney Costerian PC

October 10, 2025