WEST OTTAWA PUBLIC SCHOOLS

Holland, Michigan

Annual Comprehensive Financial Report

Fiscal Year Ended
JUNE 30, 2026

Prepared by:

Business Office
Chris LaHaie, Associate Superintendent Business Services

WEST OTTAWA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

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. . . Preparing students to be College, Career and Life Ready!

West Ottawa Public Schools
1138- 136th Avenue Holland, MI 49424
Phone: (616)-786-2050
www.westottawa.net

Superintendent
Timothy. Bearden

Associate Superintendent Business Services
Chris LaHaie

Assistant Superintendent Human Resources
Matt Stolz

October 23, 2026

The Board of Education
West Ottawa Public Schools
1138 136th Avenue
Holland, MI 49424

Dear Board Members and Citizens of West Ottawa Public Schools:

This letter of transmittal provides an overview of the financial position of West Ottawa Public Schools (the District) from the perspective of the Superintendent and the Associate Superintendent of Finance and Operations. It serves as an introduction to our Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2026. The ACFR is divided into three sections: introductory section, financial section and statistical section. The introductory section included 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 and 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

West Ottawa Public Schools is a suburban school district, located in Ottawa County and adjacent to the cities of Holland and Zeeland. The District covers approximately 73 square miles and includes major portions of Holland, Park, and Port Sheldon Townships as well as a small portion of Olive Township. The District was formed in 1958. It is a fiscally independent school district governed by a seven-member elected Board of Education. The District has no component units.

The District's student enrollment peaked in 2005 with more than 8,000 student FTE (Full-time equivalent) and has been slowly declining every year until 2021-2022, when the district enrollment began increasing. WOPS enrollment increased each year between 2020-2021 (FTE of 6,482) to 6733 FTE in 2024-2025. Enrollment leveled off and decreased very slightly in 2025-2026, which was still very impressive considering significant enrollment declines in neighboring districts and largely across the State of Michigan. A new elementary school was opened in the Fall of 2025, bringing the District to nine elementary schools (pre-kindergarten through 5th grade), two middle schools (6th-8th grades), one high school (9th-12th grades), and a virtual academy (6th – 12th grade). One of the elementary schools was renamed and restructured as a bilingual academy in 2025-2026. Although a decline was forecasted for the 2026-2027 school year, enrollment counts during the first week of school were favorable and indicate the District will likely once again grow in student enrollment.

Student Services Provided and Major Initiatives

West Ottawa 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. Students also have the opportunity to participate in an outdoor discovery education program from pre-school through middle school. 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 High School also offers a rigorous International Baccalaureate program. The District's education program includes a wide array of special education services for eligible students. 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 District adopts an annual appropriated budget for its general fund, food service fund, student/school activities fund, and sinking fund. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund, two special revenue funds, and one capital projects fund. Other funds do not have appropriated budgets. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

The District adheres to budgetary policies and procedure established by the Board of Education, including specific guidelines in the development and review of the budget. The District utilizes a line item budget developed by the Chief Financial Officer and the Superintendent, and finally submitted to the Board of Education for approval and adoption. The budget development process includes input from employees, parents and the community. This budget process is designed to effectively allocate resources and is amended by the Board of Education as needed during the fiscal year to reflect changes in assumptions and communicate fiscal projections openly to its constituents. The District's legal level of budgetary control is the functional level.

The District integrated the budget with the accounting system and internal controls. We have designed the internal controls to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use, and for maintaining accountability of the assets. These controls also provide assurance on the reliability of the financial records necessary for producing financial statements. We believe our budgetary and internal controls adequately safeguard District assets and provide reasonable assurance that errors or fraud that could be material to the financial statements are prevented or would be detected within a timely period.

The District is required to have an annual audit performed of its financial statements. The financial statements are the responsibility of the management of the District, and the auditor is expressing 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. Voter approval of District bond issues in 2014, 2019, and 2023 have allowed West Ottawa Public Schools to execute several strategic plans to improve its facilities and technology, allowing it to improve upon the educational opportunities offered to students both in and outside of the classroom.

In May of 2019, voters approved an additional $98 million to further support the District's strategic plan to improve facilities and technology. The 2019 bond proposal provided funding for a new elementary school, new performing arts center, new athletic complex, new technology, building improvements, security enhancements, site improvements and new buses. All of the 2019 authorized bonds have been issued with the last series being sold in the Spring of 2023. The completion of Riley Farms Elementary, opened for students in August 2025, represented the final project utilizing these bond funds, and they were fully expended during the 2025-2026 fiscal year.

In November of 2023, voters approved $237 million to further support the District's strategic plan to further improve facilities, update technology, purchase buses, construct a new Aquatic & Community Center, and update other areas around the district. The first series of these bonds, just under $80 million, were sold in May 2024, with projects well underway during the 2024-2025 and 2025-2026 fiscal years.

In November 2018 the community approved an enhancement millage that will generate approximately $1.9 million annually for West Ottawa Public Schools. We appreciate the support from the community as the district has plans to invest these resources in lower class sizes and mental health support services for our students.

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. Nonetheless the District has developed a long-term facility and technology plan with the money approved by voters in the 2014, 2019, and 2023 bonds. Operationally the District spends about 85% of its resources on employees and adjusts staffing annually to work within the financial resources available.

The State of Michigan will provide $10,300 per pupil for the minimum foundation allowance in the 2026-2027 fiscal year, a $250 per-student increase over the prior year. Although additional resources have been allocated to public school districts through state categorical funding, the economic headwind and unpredictability of an economy with inflationary concerns, makes it difficult to project per pupil revenue in the upcoming fiscal years. The district remains committed to budgeting based on the latest economic projections from the State of Michigan.

Certificate of Excellence

The District received the ASBO Certificate of Excellence for the eleventh time in its history for fiscal year 2024-25, in order to demonstrate its transparency to the community which has entrusted it with an unprecedented investment in its schools with the passage of the 2014, 2019, and 2023 bond proposals. The District was awarded its first Certificate of Excellence for the 2014-2015 financial statements and plans to apply for its twelfth such Certificate for work performed during the 2025-26 fiscal year.

In Appreciation

We would like to express appreciation to a Board of Education that has adopted policies and programs designed to continue the District's quality improvement so that we can prepare all students to be college, career and life ready. We are also grateful to the staff members who work tirelessly to provide the best educational environment possible for West Ottawa students.

But we are most thankful for a community that supports its school system through its exceptional volunteerism, its tremendous ongoing financial support, and its commitment to helping West Ottawa Public Schools serve the needs of every one of its students each and every day.
Respectfully submitted,



Timothy J. Bearden
Superintendent of Schools



Christopher T. LaHaie
Associate Superintendent of Finance & Operations

West Ottawa Public Schools
Annual Comprehensive Financial Report
Principal Officials and Administrative Staff

2026 Board of Education

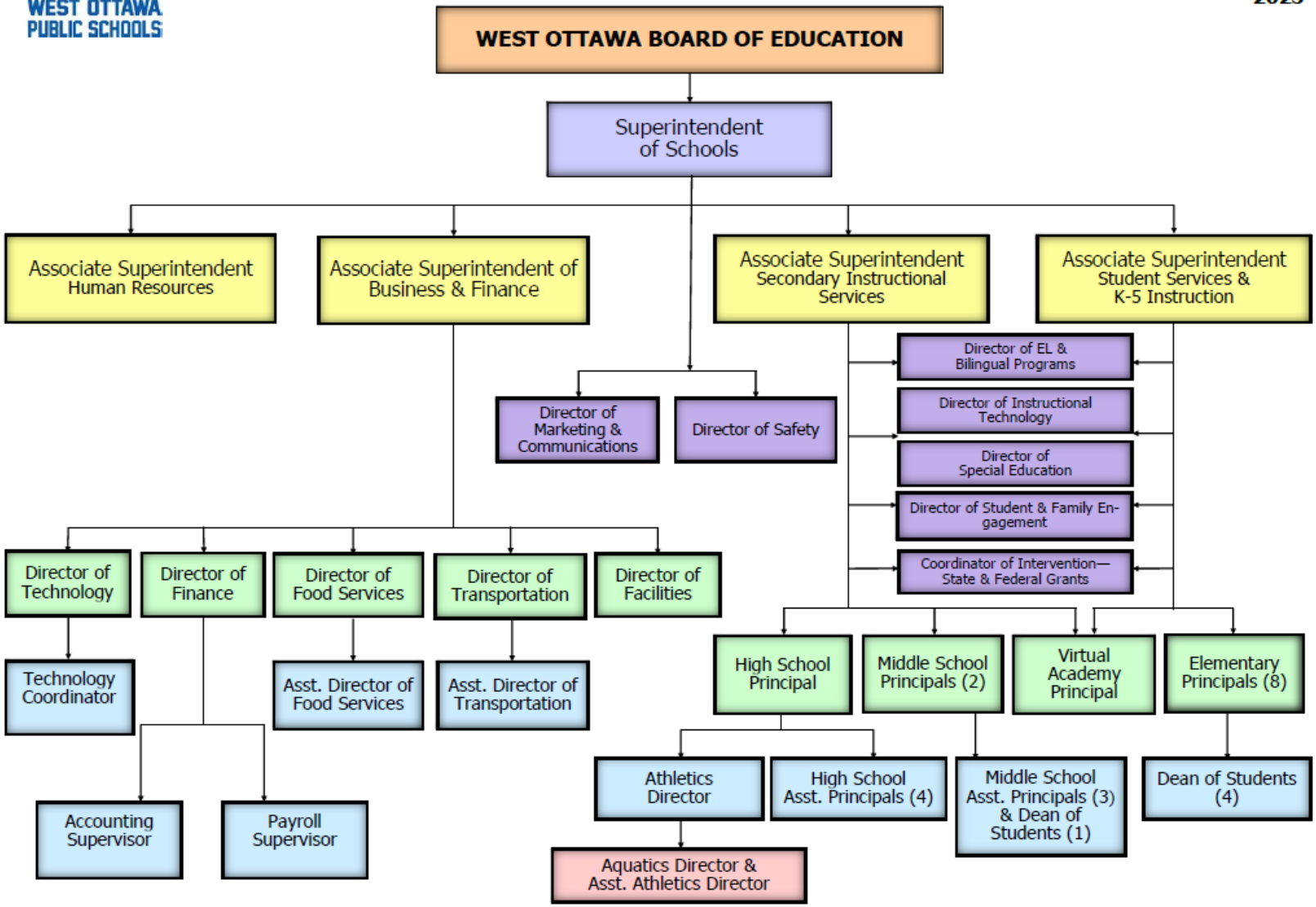
President	Mary Remenschneider
Vice President	Darrin Duistermars
Secretary	Jim Otteman
Treasurer	Randy Schipper
Trustee	Cathy Lebster
Trustee	Lynn Rutan
Trustee	Cynthia Martinez

2025 - 2026 Administrative Staff

Superintendent	Tim Bearden
Associate Superintendent of Finance & Operations	Chris LaHaie
Director of Finance	Kyle Barr

WEST OTTAWA PUBLIC SCHOOLS

ADMINISTRATIVE ORGANIZATIONAL CHART 2025



Effective 8/15/2025

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

West Ottawa Public Schools

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

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Lynn Knight
President

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

Maner Costerisan

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
West Ottawa Public Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Ottawa Public Schools, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise West Ottawa 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 West Ottawa Public Schools, as of June 30, 2026, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about West Ottawa 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 West Ottawa 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 West Ottawa 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 West Ottawa Public Schools' basic financial statements. The accompanying additional supplementary information, as identified in the table of contents, including the schedule of expenditures of federal awards, 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

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 23, 2026 on our consideration of West Ottawa Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of West Ottawa 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 West Ottawa Public Schools' internal control over financial reporting and compliance.

Maner Costerisan PC

Lansing, Michigan
October 23, 2026

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

OVERVIEW OF THE FINANCIAL STATEMENTS

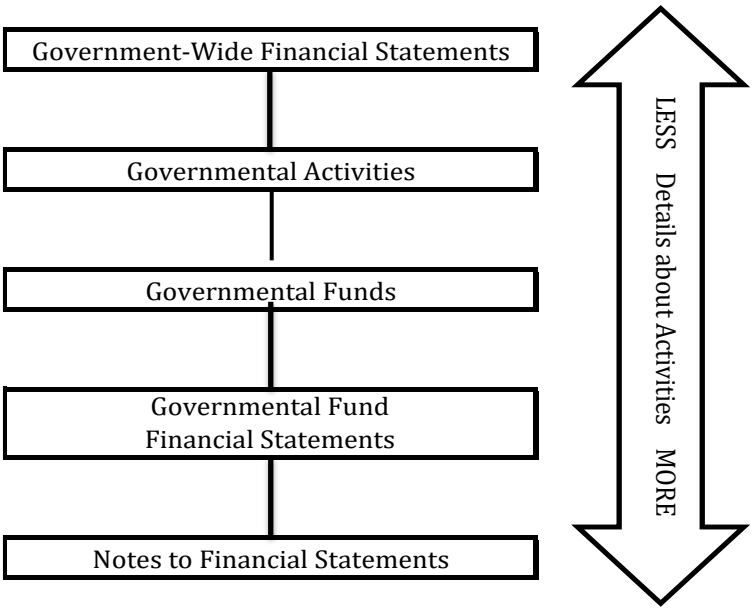
The District's financial report contains basic financial statements. Those financial statements present the District's finances at both an overall and a detailed level. The first two - the *government-wide financial statements* - cover the District's governmental activities. (See the diagram in Figure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

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

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

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

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



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

TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

ANALYSIS OF THE DISTRICT'S FINANCES

Table A-1
WEST OTTAWA PUBLIC SCHOOLS' Net Position

	2026	2025	Dollar Change	Total Percentage Change
Current assets	$ 93,820,176	$ 139,526,476	$ (45,706,300)	-32.8%
Net other postemployment benefits asset	27,867,984	19,546,743	8,321,241	42.6%
Capital assets	287,360,879	250,549,669	36,811,210	14.7%
Total assets	409,049,039	409,622,888	(573,849)	-0.1%
Deferred outflows of resources	36,156,656	39,366,527	(3,209,871)	-8.2%
Long-term debt outstanding	203,323,139	222,012,141	(18,689,002)	-8.4%
Net pension liability	93,687,067	109,931,661	(16,244,594)	-14.8%
Other liabilities	31,848,144	25,579,571	6,268,573	24.5%
Total liabilities	328,858,350	357,523,373	(28,665,023)	-8.0%
Deferred inflows of resources	59,790,924	62,143,382	(2,352,458)	-3.8%
Net position				
Net investment in capital assets	106,821,423	101,640,088	5,181,335	5.1%
Restricted for debt service	2,115,643	1,169,237	946,406	80.9%
Restricted for capital projects - sinking fund	3,188,351	3,092,350	96,001	3.1%
Restricted for net other postemployment benefits	27,867,984	19,546,743	8,321,241	42.6%
Unrestricted	(83,436,980)	(96,125,758)	12,688,778	13.2%
Total net position	$ 56,556,421	$ 29,322,660	$ 27,233,761	92.9%

Table A-1 shows that as of June 30, 2026, the District's total net position - assets and deferred outflows minus liabilities and deferred inflows - was nearly $56,556,421, an improvement of $27,233,761 or 92.9% compared with 2025. This increase is primarily due to a $16,265,693 or 16.9% increase in unrestricted net position. The following sections of MD&A analyze the finances of the governmental activities.

GOVERNMENTAL ACTIVITIES

Table A-2 shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position, as noted above. The current year increase in net position of $27,233,761 was $5,247,504 less than the increase in net position during the previous year. Various events contributed to this increase in net position; however, the primary factors affecting the change in net position are as follows:

1. An increase in revenue from operating grants and contributions.
2. An increase in revenue from property taxes.
3. Improvement from pension/OPEB adjustments.
4. An increase in expenses for certain programs and functions.

Table A-2
Changes in WEST OTTAWA PUBLIC SCHOOLS' Net Position

	2026	2025	Dollar Change	Total Percentage Change
Revenues				
Program revenues				
Charges for services	$ 773,090	$ 629,416	$ 143,674	22.8%
Operating grants and contributions	40,457,818	34,307,522	6,150,296	17.9%
General revenues				
Property taxes	45,816,300	43,356,413	2,459,887	5.7%
Investment earnings	4,496,343	6,544,802	(2,048,459)	-31.3%
State sources	45,270,093	52,492,059	(7,221,966)	-13.8%
Intermediate sources	10,987,386	9,389,943	1,597,443	17.0%
Other	404,534	1,079,181	(674,647)	-62.5%
Total revenues	148,205,564	147,799,336	406,228	0.3%
Expenses				
Instruction	53,248,919	55,058,812	(1,809,893)	-3.3%
Support services	40,331,456	35,783,094	4,548,362	12.7%
Community services	519,385	597,210	(77,825)	-13.0%
Food services	5,896,414	5,177,432	718,982	13.9%
Student / school activities	2,058,432	1,327,715	730,717	55.0%
Interest on long-term debt	9,162,224	9,097,947	64,277	0.7%
Unallocated depreciation	9,754,973	8,275,861	1,479,112	17.9%
Total expenses	120,971,803	115,318,071	5,653,732	4.9%
Change in net position	27,233,761	32,481,265	$ (5,247,504)	-16.2%
Net position-beginning of year	29,322,660	(3,158,605)		-1028.3%
Net position-end of year	$ 56,556,421	$ 29,322,660		92.9%

Increase in Operating Grants and Contributions

There were notable increases in operating grants and contributions compared to the prior year, which accounts for 27.3% of overall revenues. The increase is primarily attributable to an increase in special education funding mainly due to an increase in Act 18 funding from Ottawa Area ISD. Act 18 revenue is used to fund the District's special education programs and is determined based on the County's special education property tax millage.

Increase in Property Taxes

Property taxes increased in the current year compared to the prior year, which accounts for 30.9% of overall revenues. The increase is attributable to an increase in taxable values. Total taxable values increased approximately 7.2% from the previous year.

Improvement from Pension/OPEB Adjustments

Reported expenses were affected by pension and other postemployment benefit (OPEB) accounting adjustments. Although favorable pension and OPEB adjustments were recognized during both the current and prior years, current-year adjustments were significantly more favorable and contributed to a reduction in reported expenses. These adjustments are noncash and actuarially determined based on factors such as plan assumptions, investment performance, experience, and the District's proportionate share of plan activity. Because the plans are administered at the state level, the District has limited control over these adjustments, and the amounts may fluctuate significantly from year to year.

Increase in Expenses

Total expenses for the District increased by 4.9% overall. The significant increase was primarily a result of increased capital outlay (discussed below). This increase in expenses offset the improvement from pension/OPEB adjustments (previously discussed).

GOVERNMENTAL FUNDS

The District reports three major funds individually in the governmental fund financial statements. These funds are the general fund, 2023 capital projects fund, and the 2024 capital projects fund. Most of the discussion regarding governmental activities is equally applicable to the finances of these governmental fund. However, certain factors that are relevant to the District's current financial health are more apparent in the fund financial statements than in the government-wide statements. The changes are shown in Table A-3 and are discussed in more detail below.

Table A-3
WEST OTTAWA PUBLIC SCHOOLS' Revenues, Expenditures, and Changes in Fund Balances

	General Fund		2023 Capital Projects Fund		2024 Capital Projects Fund	
	2026	2025	2026	2025	2026	2025
REVENUES	$ 112,088,103	$ 106,485,968	$ 295,034	$ 1,622,711	$ 2,020,831	$ 2,947,737
EXPENDITURES	113,227,928	107,515,852	6,993,909	12,293,028	45,912,812	17,527,202
(Deficiency) of revenues (under) expenditures	(1,139,825)	(1,029,884)	(6,698,875)	(10,670,317)	(43,891,981)	(14,579,465)
OTHER FINANCING SOURCES Transfers in	-	230,000	-	-	-	-
Net change in fund balance	(1,139,825)	(799,884)	(6,698,875)	(10,670,317)	(43,891,981)	(14,579,465)
Fund balance - beginning of year	32,666,537	33,466,421	6,698,875	17,369,192	60,007,246	74,586,711
Fund balance - end of year	$ 31,526,712	$ 32,666,537	$ -	$ 6,698,875	$16,115,265	$ 60,007,246

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

General Fund

The fund balance of the District's general fund decreased by 3.5%. The decline in fund balance is attributable to increased expenditures (previously discussed).

The overall fund balance at the end of June 30, 2026, represented approximately 27.8% of operating expenditures. The District aims to have a minimum fund balance of 15% of operating expenditures. Within fund balance, approximately 93% of the balance is considered unassigned. The remaining 7% is considered either restricted, committed, or assigned for other items and is not readily available for use.

2023 Capital Projects Fund

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

2024 Capital Projects Fund

The fund balance for the 2024 capital projects fund is considered to be 100% restricted. This means that the fund balance can only be used for the restricted purpose of that fund and is not readily available for use.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM OBLIGATIONS

Capital Assets

The discussion thus far has only touched upon certain significant transactions and events during 2026 with respect to capital assets and long-term obligations. Overall, the carrying value of capital assets-original cost minus accumulated depreciation increased 14.7% over 2025. See Table A-4 for the carrying value of capital assets.

Table A-4
WEST OTTAWA PUBLIC SCHOOLS' CAPITAL ASSETS

	2026			2025	Total
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	Percentage Change
Land	$ 4,533,053	$ -	$ 4,533,053	$ 4,307,992	5.2%
Construction in progress	34,127,915	-	34,127,915	51,357,831	-33.5%
Buildings and improvements	346,659,360	114,580,659	232,078,701	185,673,993	25.0%
Furniture and equipment	22,556,968	9,328,756	13,228,212	7,133,563	85.4%
Buses and other vehicles	9,123,644	5,730,646	3,392,998	2,076,290	63.4%
Total	$ 417,000,940	$ 129,640,061	$ 287,360,879	$ 250,549,669	14.7%

A significant reason for the increase in the net capital assets relates to the buildings and improvements category. During 2026, the District completed work on the West Ottawa community pool project, Waukazoo Elementary renovation, Woodside Elementary renovation, etc. that are still ongoing. The additions of capital assets outpaced the depreciation during the year, resulting in a net increase in capital assets.

Long-term Obligations

Overall, the carrying value of the District's long-term obligations decreased by 8.4% from the prior year. See Table A-5 for the carrying value of the District's long-term obligations.

Table A-5
WEST OTTAWA PUBLIC SCHOOLS'
Outstanding Long-Term Obligations

	2026	2025	Total Percentage Change
General obligation bonds - net	$ 196,551,795	$ 215,425,526	-8.8%
Compensated absences	6,771,344	6,586,615	2.8%
	$ 203,323,139	$ 222,012,141	-8.4%

During 2026, the District entered into no new long-term obligations. The primary reason for the decrease in long-term obligations was due to the District continuing to make their scheduled debt payments. The total amount of principal paid in the current year was approximately $17.6 million.

Factors Bearing on the District's Future

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

- Michigan school districts, including West Ottawa Public Schools, continue to be burdened by extremely high retirement contribution rates due to the unique composition of the Michigan Public School Employee Retirement System (MPSERS). Although rates will remain static from fiscal year 2026 to fiscal year 2027, the district must still comply with contributions ranging from 24.21% to 28.08% of gross employee wages.

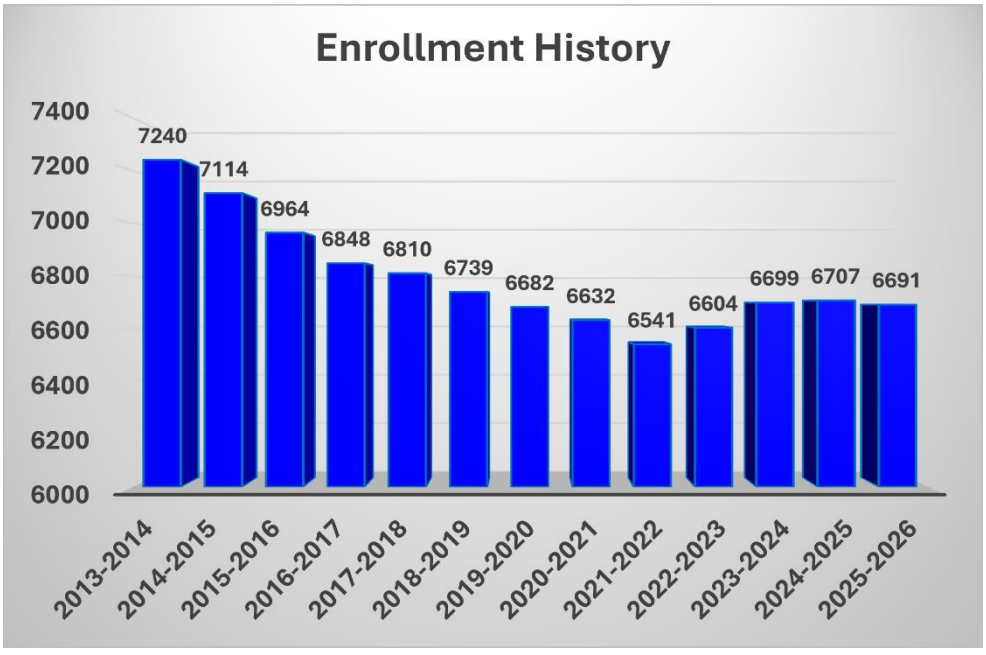
- Disruptions to the global economy due to ongoing tariffs and strained global trade relationships continue to place a financial burden on the cost of goods, services, and energy used by the district. This is felt far and wide, from the cost of metal imported for building projects to the extremely high cost of diesel fuel to transport students.

- It continues to be difficult to project the future revenue streams from the state school aid fund, particularly now that post-pandemic driven revenue packages are completely a thing of the past. The one constant revenue stream is the foundation allowance driven by student enrollment, which is the largest single general operating fund revenue stream. However, as most surrounding districts in the State of Michigan have seen sharp declines in student enrollment, West Ottawa has managed to maintain steady student numbers. Innovative programming through West Ottawa Virtual Academy, outdoor themed education, the dedicated Los Lagos Bilingual Academy, and more secondary course offerings than any districts in the area have all played a part in the District's success.

- West Ottawa per-pupil foundation allowance history:



- After three consecutive years of enrollment growth, the 2025-2026 school year did result in a slight decrease in student enrollment membership. The chart below shows our last twelve school year enrollment data, as well as the actual enrolled FTE for the 2020-2021 school year even though the formula was changed by the state for payment during the pandemic year.



- The initial 2026-2027 fiscal year general operating budget was predicated on a 150 student decline, which resulted in an initial budget in which expenditures were expected to eclipse revenues by over $1.8 million dollars. However, the first weeks of school showed an actual increase in student enrollment compared to 2025-2026. Combined with a Michigan School Aid Budget that provided a 20% increase to at-risk and bilingual education funding, while wrapping them into a weighted foundation allowance model, will provide a significant positive budget variance as the district approaches the mid-year amendment in 2026-2027.

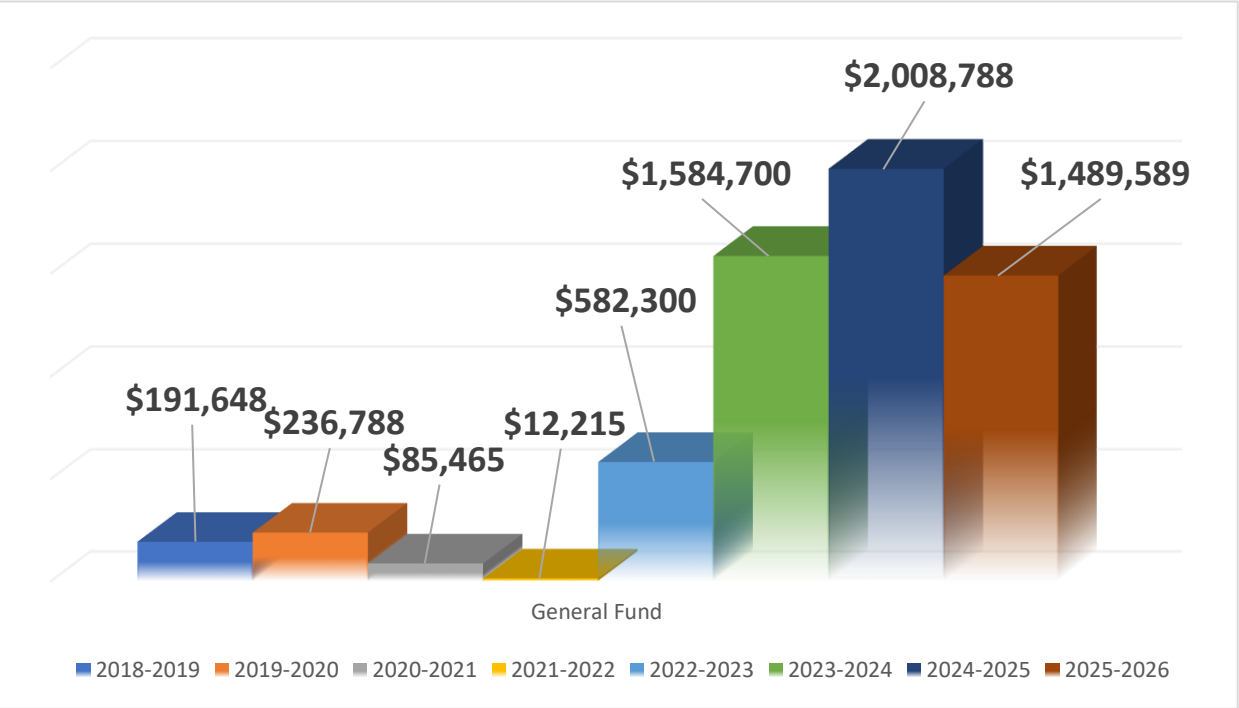
- Continued focus on containing costs to match the size of enrollment will be key in maintaining positive fund balance going forward. The district continues to hire new staff in a manner that is both appropriate and sustainable, ensuring that such positions are instructional and behavioral support positions, which follows categorical funding committed to from the State of Michigan. The District will continue to utilize attrition to move these FTE into general fund certified positions, particularly if the federal and state categorical dollars are not expected to continue in subsequent fiscal years.

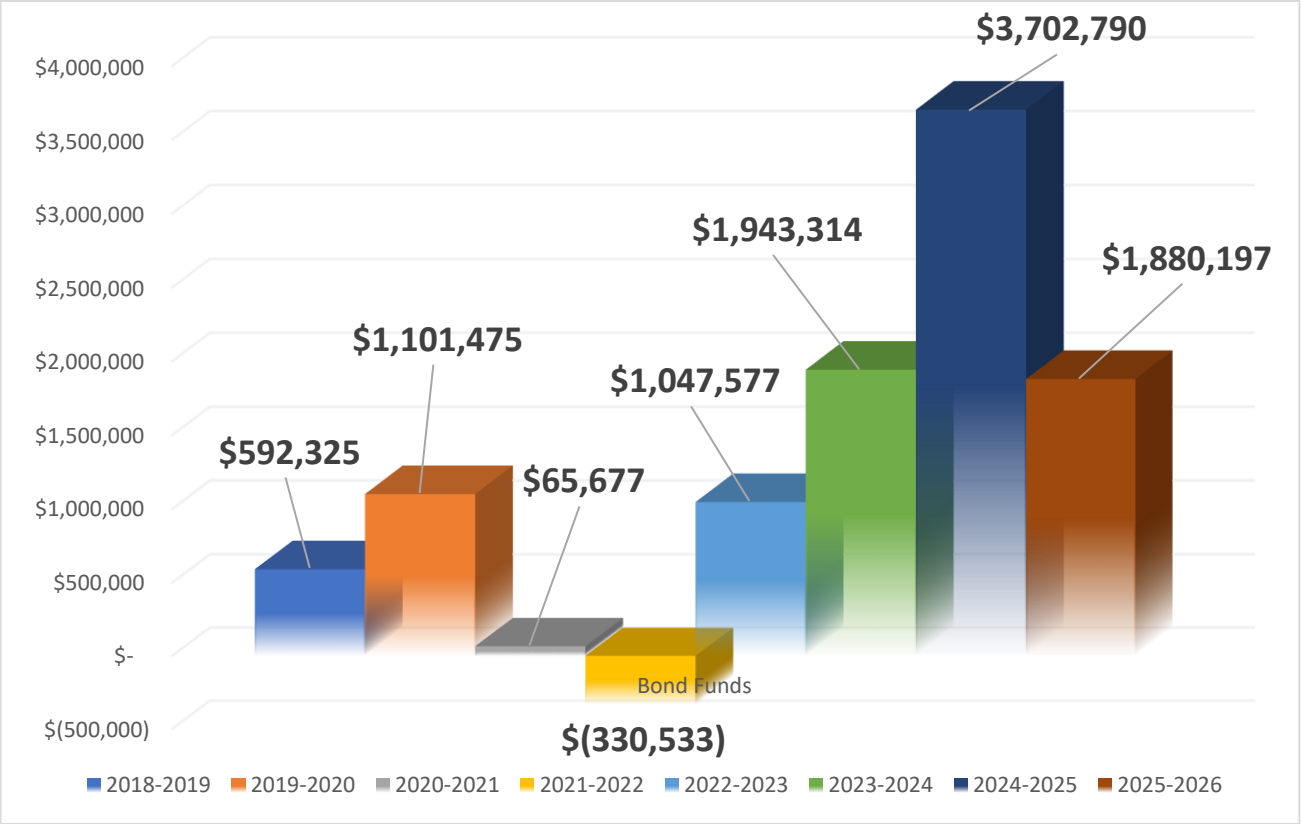
- The last twelve years of capital improvements have been monumental for West Ottawa Public Schools. The District received approval from the voters to issue $89.95 million in new bonds on May 6, 2014 and an additional $97.95 million in new bonds on May 7, 2019. The District has issued all $89.95 million of voter approved bonds, including bond premium, from the 2014 authorization. The District has also issued all $97.95 million of voter approved bonds, including bond premium, from the 2019 authorization as well – the final funds from the fourth and final series of this authorization were expended in 2025-2026. These approvals allowed the District to make numerous site and building improvements, as well as purchasing new buses and technology. The District also finished building a new athletic complex that includes a state-of-the art football and soccer stadium, finished the construction of a new performing arts center during the summer of 2024, and opened a brand new, world-class elementary school in the fall of 2025 named Riley Farms Elementary. Additional funds were utilized to replace boilers/chillers, improve building security, improve traffic flow, buy buses, and purchase technology.

- In November 2023, voters approved a $237 million bond campaign promising to provide the community with another decade of capital improvements in order to keep West Ottawa Public Schools on the cutting edge throughout the remainder of the 2020's and into the 2030's. The first $89.95 million in the 2023 bonds were sold in the spring of 2023, and are being used to construct a state-of-art Aquatic and Community Center that will feature one of the largest indoor pools in the State of Michigan. These voter approved bonds continue to alleviate pressure on the general fund and repair and improvement fund, as they fund ongoing needs. The district plans to sell the second series of bonds, comparable in issuance size, in early 2027.

- Finally, West Ottawa Public Schools is extremely proud of its continued commitment to investing reserve funds in order to maximize opportunities for students. The continuation of this opportunity is contingent of interest rates, investment opportunities, and the continued work of the financial leadership to take part in such measures. The seven-year history of the General Operating Fund and Bond Fund earnings are shown below:

  General Fund Earnings:





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 financial information, please contact the Associate Superintendent of Finance and Operations, West Ottawa Public Schools, Holland, Michigan.

BASIC FINANCIAL STATEMENTS

WEST OTTAWA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 51,502,535
Investments	24,021
Receivables	
Accounts receivable	71,835
Taxes receivable	94,611
Intergovernmental	15,446,906
Inventories	94,369
Prepaids	321,712
Net other postemployment benefits asset	27,867,984
Restricted cash - capital projects	20,907,938
Restricted investments - capital projects	5,356,249
Capital assets not being depreciated	38,660,968
Capital assets, net of accumulated depreciation	248,699,911
TOTAL ASSETS	409,049,039
DEFERRED OUTFLOWS OF RESOURCES	
Related to other postemployment benefits	4,847,250
Related to pension	31,309,406
TOTAL DEFERRED OUTFLOWS OF RESOURCES	36,156,656
LIABILITIES	
Accounts payable	10,129,774
Accrued salaries and related items	7,086,296
Accrued retirement	2,794,863
Accrued interest	1,371,896
Unearned revenue	9,338,359
Noncurrent liabilities	
Due within one year	19,182,134
Due in more than one year	184,141,005
Arbitrage liability	1,126,956
Net pension liability	93,687,067
TOTAL LIABILITIES	328,858,350
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on refunding, net of amortization	102,926
Related to state aid funding for pension	7,778,721
Related to other postemployment benefits	23,425,525
Related to pension	28,483,752
TOTAL DEFERRED INFLOWS OF RESOURCES	59,790,924
NET POSITION	
Net investment in capital assets	106,821,423
Restricted for debt service	2,115,643
Restricted for capital projects - sinking fund	3,188,351
Restricted for net other postemployment benefits	27,867,984
Unrestricted	(83,436,980)
TOTAL NET POSITION	$ 56,556,421

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

WEST OTTAWA PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	$ 53,248,919	$ 48,331	$ 22,848,906	$ (30,351,682)
Support services	40,331,456	240,281	13,613,851	(26,477,324)
Community services	519,385	-	204,542	(314,843)
Food services	5,896,414	484,478	2,034,109	(3,377,827)
Student/school activities	2,058,432	-	1,756,410	(302,022)
Interest on long-term debt	9,162,224	-	-	(9,162,224)
Unallocated depreciation*	9,754,973	-	-	(9,754,973)
Total governmental activities	$ 120,971,803	$ 773,090	$ 40,457,818	(79,740,895)
General revenues				
Property taxes, levied for general purposes				20,199,417
Property taxes, levied for debt service				25,614,168
Property taxes, levied for capital projects sinking fund				2,715
Investment earnings				4,496,343
State sources				45,270,093
Intermediate sources				10,987,386
Other				404,534
Total general revenues				106,974,656
CHANGE IN NET POSITION				27,233,761
NET POSITION, beginning of year				29,322,660
NET POSITION, end of year				$ 56,556,421

*Unallocated depreciation includes 100% of depreciation expense, no depreciation expense is allocated to various programs.

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

WEST OTTAWA PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	2023 Capital Projects Fund	2024 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 35,399,441	$ -	$ -	$ 16,103,094	$ 51,502,535
Investments	-	-	-	24,021	24,021
Receivables					
Taxes receivable	67,340	-	-	27,271	94,611
Accounts receivable	9,103	-	-	62,732	71,835
Intergovernmental	15,093,227	-	-	353,679	15,446,906
Due from other funds	721,863	-	-	291,597	1,013,460
Inventories	-	-	-	94,369	94,369
Prepaids	308,772	-	-	12,940	321,712
Restricted cash - capital projects	-	-	20,907,938	-	20,907,938
Restricted investments - capital projects	-	-	5,356,249	-	5,356,249
TOTAL ASSETS	$ 51,599,746	$ -	$ 26,264,187	$ 16,969,703	$ 94,833,636
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 634,443	$ -	$ 9,455,204	$ 40,127	$ 10,129,774
Accrued salaries and related items	7,050,917	-	-	35,379	7,086,296
Accrued retirement	2,788,645	-	-	6,218	2,794,863
Due to other funds	293,239	-	693,718	26,503	1,013,460
Unearned revenue	9,305,790	-	-	32,569	9,338,359
TOTAL LIABILITIES	20,073,034	-	10,148,922	140,796	30,362,752
FUND BALANCES					
Nonspendable					
Inventories	-	-	-	94,369	94,369
Prepaids	308,772	-	-	12,940	321,712
Restricted					
Food service	-	-	-	1,442,599	1,442,599
Capital projects	-	-	16,115,265	3,188,351	19,303,616
Debt service	-	-	-	3,487,539	3,487,539
Committed for student/school activities	-	-	-	1,693,157	1,693,157
Assigned					
Subsequent year expenditures	1,852,733	-	-	-	1,852,733
Capital projects	-	-	-	6,909,952	6,909,952
Unassigned	29,365,207	-	-	-	29,365,207
TOTAL FUND BALANCES	31,526,712	-	16,115,265	16,828,907	64,470,884
TOTAL LIABILITIES AND FUND BALANCES	$ 51,599,746	$ -	$ 26,264,187	$ 16,969,703	$ 94,833,636

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

WEST OTTAWA PUBLIC SCHOOLS
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO NET POSITION OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total governmental fund balances	$ 64,470,884
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred outflows of resources - related to pension	31,309,406
Deferred outflows of resources - related to other postemployment benefits	4,847,250
Deferred inflows of resources - gain on refunding, net of amortization	(102,926)
Deferred inflows of resources - related to pension	(28,483,752)
Deferred inflows of resources - state aid funding for pension	(7,778,721)
Deferred inflows of resources - related to other postemployment benefits	(23,425,525)
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	27,867,984
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
The cost of the capital assets is	417,000,940
Accumulated depreciation is	(129,640,061)
Long-term obligations are not due and payable in the current period and are not reported in the funds:	
General obligation bonds	(196,551,795)
Compensated absences	(6,771,344)
Accrued interest is not included as a liability in government funds, it is recorded when paid	(1,371,896)
Net pension liability	(93,687,067)
Arbitrage liability	(1,126,956)
Net position of governmental activities	$ 56,556,421

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

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

	General Fund	2023 Capital Projects Fund	2024 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local sources					
Property taxes	$ 20,199,417	$ -	$ -	$ 25,616,883	$ 45,816,300
Tuition	48,331	-	-	-	48,331
Investment earnings	1,600,309	174,584	2,020,831	700,619	4,496,343
Student/school activities	-	-	-	1,756,410	1,756,410
Food sales	-	-	-	484,168	484,168
Other	335,792	120,450	-	210,527	666,769
Total local sources	22,183,849	295,034	2,020,831	28,768,607	53,268,321
State sources	74,503,333	-	-	2,520,835	77,024,168
Federal sources	4,376,778	-	-	4,122,154	8,498,932
Incoming transfers and other	11,024,143	-	-	-	11,024,143
TOTAL REVENUES	112,088,103	295,034	2,020,831	35,411,596	149,815,564
EXPENDITURES					
Current					
Instruction	70,312,712	-	-	-	70,312,712
Supporting services	42,229,542	-	-	-	42,229,542
Food service activities	-	-	-	6,228,420	6,228,420
Student/school activities	-	-	-	2,058,432	2,058,432
Community service activities	485,436	-	-	-	485,436
Capital outlay and other	200,238	6,993,909	45,912,812	315,540	53,422,499
Debt service					
Principal repayment	-	-	-	17,550,000	17,550,000
Interest	-	-	-	8,429,337	8,429,337
Bond issuance cost and other	-	-	-	3,218	3,218
TOTAL EXPENDITURES	113,227,928	6,993,909	45,912,812	34,584,947	200,719,596
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,139,825)	(6,698,875)	(43,891,981)	826,649	(50,904,032)
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	-	477,068	477,068
Transfer out	-	-	-	(477,068)	(477,068)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,139,825)	(6,698,875)	(43,891,981)	826,649	(50,904,032)
FUND BALANCES					
Beginning of year	32,666,537	6,698,875	60,007,246	16,002,258	115,374,916
End of year	$ 31,526,712	$ -	$ 16,115,265	$ 16,828,907	$ 64,470,884

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

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

Net change in fund balances total governmental funds	$ (50,904,032)
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 expense	(9,754,973)
Capital outlay	46,970,306
(Loss) on disposal of capital assets, net	(404,123)
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	1,428,011
Accrued interest payable, end of the year	(1,371,896)
The issuance of long-term obligations (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term obligations 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 and are as follows:	
Payments on debt	17,550,000
Amortization of bond premium	1,323,731
Amortization of deferred gain on refunding	87,250
Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Compensated absences, beginning of the year	6,586,615
Compensated absences, end of the year	(6,771,344)
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	15,221,727
Other postemployment benefits related items	10,009,445
Arbitrage liability	(1,126,956)
Restricted revenue reported in the government funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period:	
Pension related items, beginning of year	6,168,721
Pension related items, end of year	(7,778,721)
Change in net position of governmental activities	$ 27,233,761

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Description of Government-wide Financial Statements

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

Basis of Presentation - Government-wide Financial Statements

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

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

Basis of Presentation - Fund Financial Statements

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

The District reports the following *Major Governmental Funds*:

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

The major *Capital Projects Funds* includes 2023 and 2024 capital project activities funded with bonds. For these capital projects, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. The 2024 funds are not yet considered substantially complete, and a subsequent year audit is expected.

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 2023 (2019 Bond Series IV) were issued was considered complete on June 30, 2026 (June 30 immediately following date of Certificate of Substantial Completion or 95% of proceeds expended).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (concluded)

The following is a summary of the revenue and expenditures for the 2023 and 2024 capital projects bond activity since inception through the current fiscal year:

	2023 Capital Projects	2024 Capital Projects
Revenues and other financing sources	$ 35,479,946	$ 85,351,458
Expenditures	$ 35,479,946	$ 69,236,193

The above revenue amount includes net bond issuance related to the 2023 and 2024 issuances of $28,870,000 and $73,225,000, respectively. The 2023 capital projects fund is series IV of the 2019 authorized bond. The 2024 capital projects fund is series I of the 2023 authorized bond.

The District reports the following *Other Nonmajor Funds*:

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

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

The *Capital Projects Building Transfer Fund* accounts for the transfers from the general fund for the acquisition of capital assets.

The *Capital Projects Capital Improvement Fund* accounts for the transfers from the general fund for the payment of prevailing wages.

The *Capital Projects Sinking Fund* accounts for the receipt of property taxes levied for sinking fund and subsequent expenditures of those funds. The fund has complied with the applicable provisions of Section 1212 of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2023-1.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

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

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, 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.

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (concluded)

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

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

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

Cash and Cash Equivalents

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

Investments

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

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

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

c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.

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

e. Bankers acceptances of United States banks.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Investments (concluded)

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 Prepaid Items

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

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

Capital Assets

Capital assets, which include property, plant, equipment, 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 one year. Group purchases are evaluated on a case by case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

Land and construction in process is not depreciated. The other property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Capital Asset Classes	Lives
Buildings and improvements	25 - 50
Furniture and equipment	5 - 20
Buses and other vehicles	8

Defined Benefit Plans

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Outflows

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

Deferred Inflows

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

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Net Investment in Capital Assets

The composition of net investment in capital assets as of June 30, 2026, was as follows:

	Governmental Activities
Capital Assets	
Capital assets not being depreciated	$ 38,660,968
Capital assets, net of accumulated depreciation	248,699,911
Total capital assets	287,360,879
Related debt	
General obligation bonds	(196,551,795)
Unspent bond proceeds - 2024 capital projects	16,115,265
Deferred gain on refunding, net of amortization	(102,926)
Total related debt	(180,539,456)
Net investment in capital assets	$ 106,821,423

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. The resources received from selling inventory in the food service fund are restricted, therefore the fund balance amount related to inventory is not reported as nonspendable 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance Policies

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

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

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

In the general fund, the District strives to maintain a secure financial position whereby the fund balance does not fall below 15% of the preceding year's expenditures.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Revenues and Expenditures/Expenses (concluded)

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

Fund	Mills
General fund	
Non-Principal Residence Exemption (PRE)	18.0000
Commercial Personal Property	6.0000
Debt service fund	
PRE, Non-PRE, Commercial Personal Property	7.5000

Compensated Absences

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

Long-term Obligations

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2026, $75,007,223 of the District's bank balance of $75,507,223 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was $72,410,473.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk - Investments

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

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

Interest Rate Risk

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

As of June 30, 2026, the district had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)	%
United States Treasury Notes	$ 5,380,270	0.0832	100.00%
Portfolio weighted average maturity		0.0832	

One day maturity equals 0.0027, one year equals 1.00.

Concentration Of Credit Risk

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

Investment Type	Fair Value	Standard & Poor's Rating	Rating Agency
United States Treasury Notes	$ 5,380,270	AA+	Standard & Poor's

Foreign Currency Risk

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement

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

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

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

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

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

Investment Type	Level 1	Level 2	Level 3	Total
United States Treasury Notes	$ 5,380,270	$ -	$ -	$ 5,380,270

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

	Primary Government
Deposits	$ 72,410,473
Investments	5,380,270
	$ 77,790,743

NOTE 2 - DEPOSITS AND INVESTMENTS (concluded)

Fair Value Measurement (concluded)

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

The following summarizes the categorization of these amounts in the financial statements as of June 30, 2026

	Primary Government
Cash and cash equivalents	$ 51,502,535
Investments	24,021
Restricted cash and cash equivalents	20,907,938
Restricted investments	5,356,249
	$ 77,790,743

NOTE 3 - CAPITAL ASSETS

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

	Balance July 1, 2025	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2026
Assets not being depreciated				
Land	$ 4,307,992	$ 225,061	$ -	$ 4,533,053
Construction in progress	51,357,831	41,249,445	58,479,361	34,127,915
Subtotal	55,665,823	41,474,506	58,479,361	38,660,968
Other capital assets				
Buildings and improvements	293,910,634	54,816,782	2,068,056	346,659,360
Furniture and equipment	16,715,505	7,288,191	1,446,728	22,556,968
Buses and other vehicles	7,253,456	1,870,188	-	9,123,644
Subtotal	317,879,595	63,975,161	3,514,784	378,339,972
Accumulated depreciation				
Buildings and improvements	108,236,641	8,108,824	1,764,806	114,580,659
Furniture and equipment	9,581,942	1,092,669	1,345,855	9,328,756
Buses and other vehicles	5,177,166	553,480	-	5,730,646
Total accumulated depreciation	122,995,749	9,754,973	3,110,661	129,640,061
Net capital assets being depreciated	194,883,846	54,220,188	404,123	248,699,911
Net governmental capital assets	$ 250,549,669	$ 95,694,694	$ 58,883,484	$ 287,360,879

NOTE 3 - CAPITAL ASSETS (concluded)

Depreciation expense for the fiscal year ended June 30, 2026 amounted to $9,754,973. The District has determined that it is impractical to allocate depreciation to various governmental activities as the assets serve multiple functions.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

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

State aid	$ 13,127,226
Federal revenue	1,746,088
Intermediate sources and other	573,592
	$ 15,446,906

No allowance for doubtful accounts is considered necessary based on previous experience.

NOTE 5 - LONG-TERM OBLIGATIONS

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

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

	Compensated Absences*	General Obligation Bonds	Total
Balance, July 1, 2025	$ 6,586,615	$ 215,425,526	$ 222,012,141
Additions	184,729	-	184,729
Deletions	-	(18,873,731)	(18,873,731)
Balance, June 30, 2026	6,771,344	196,551,795	203,323,139
Due within one year	677,134	18,505,000	19,182,134
Due in more than one year	$ 6,094,210	$ 178,046,795	$ 184,141,005

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

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

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

General Obligation Bonds

2017 refunding bonds - $12,835,000, due in annual installments of $825,000 to $870,000 through November 1, 2032 with interest from 4.00% to 5.00%.	$ 5,105,000
2018 building and site bonds - $13,795,000, due in annual installments of $375,000 to $575,000 through November 1, 2038 with interest at 5.00%.	5,850,000
2019 building and site bonds - $21,190,000, due in annual installments of $540,000 to $1,000,000 through May 1, 2044 with interest from 4.00% to 5.00%.	15,360,000
2020 building and site bonds - $7,350,000, due in annual installments of $2,175,000 to $2,750,000 through May 1, 2030 with interest of 4.00%.	7,350,000
2020 refunding bonds - $22,525,000, due in an annual installment of $2,055,000 through May 1, 2027 with interest of 1.42%.	2,055,000
2021 building and site bonds - $50,175,000, due in annual installments of $1,000,000 to $2,395,000 through November 1, 2046 with interest from 4.00% to 5.00%.	44,145,000
2023 general obligation bonds - $28,870,000, due in annual installments of $650,000 to $1,205,000 through May 1, 2048 with interest of 5.00%.	24,170,000
2024 general obligation bonds - $73,225,000, due in annual installments of $1,120,000 to $12,040,000 through May 1, 2049 with interest of 5.00%.	70,660,000
Issuance premium	21,856,795
Total general obligation bonds	196,551,795
Compensated absences	6,771,344
Total general long-term obligations	$ 203,323,139

NOTE 5 - LONG-TERM OBLIGATIONS (concluded)

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

Year Ending June 30,	General Obligation Bonds Principal	Interest	Compensated Absences	Total
2027	$ 18,505,000	$ 7,854,003	$ -	$ 26,359,003
2028	11,000,000	7,203,700	-	18,203,700
2029	11,440,000	6,677,050	-	18,117,050
2030	11,965,000	6,124,925	-	18,089,925
2031	10,300,000	5,536,675	-	15,836,675
2032 - 2036	44,345,000	20,627,000	-	64,972,000
2037 - 2041	30,910,000	12,526,550	-	43,436,550
2042 - 2046	26,485,000	5,685,350	-	32,170,350
2047 - 2049	9,745,000	844,500	-	10,589,500
	174,695,000	73,079,753	-	247,774,753
Issuance premium	21,856,795	-	-	21,856,795
Compensated absences	-	-	6,771,344	6,771,344
	$ 196,551,795	$ 73,079,753	$ 6,771,344	$ 276,402,892

Compensated absences typically are liquidated by the general fund. Interest expense for the year ended June 30, 2026 was $8,429,337.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

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

Receivable Fund		Payable Fund	
General fund	$ 721,863	General fund	$ 293,239
Nonmajor governmental funds	291,597	2024 Capital Projects Fund	693,718
		Nonmajor governmental funds	26,503
	$ 1,013,460		$ 1,013,460

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

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

Benefits Provided - Overall

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

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

Benefits Provided - Pension

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

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2010

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

Pension Reform 2012

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

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

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

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

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

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

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (concluded)

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

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

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

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

Pension Reform of 2017

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

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

Pension Reform of 2023

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions

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

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

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

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

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

The District's pension contributions for the year ended June 30, 2026 were equal to the required contribution total. Total pension contributions were approximately $22,154,000. Of the total pension contributions approximately $21,045,000 was contributed to fund the Defined Benefit Plan and approximately $1,109,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2026 were equal to the required contribution total. Total OPEB contributions were approximately $1,551,000. Of the total OPEB contributions approximately $942,000 was contributed to fund the Defined Benefit Plan and approximately $609,000 was contributed to fund the Defined Contribution Plan.

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

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

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

MPSERS (Plan) Non-University Employers	September 30, 2025	September 30, 2024
Total pension liability	$ 97,436,103,863	$ 95,765,499,515
Plan fiduciary net position	$ 77,403,114,236	$ 71,283,482,728
Net pension liability	$ 20,032,989,627	$ 24,482,016,787
Proportionate share	0.46766%	0.44903%
Net pension liability for the District	$ 93,687,067	$ 109,931,661

For the year ended June 30, 2026, the District recognized pension expense of $5,757,056.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 3,362,697	$ 4,951,587
Net difference between projected and actual earnings on pension plan investments	-	22,389,203
Differences between expected and actual experience	3,628,769	834,463
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,602,172	308,499
Reporting Unit's contributions subsequent to the measurement date	19,715,768	-
	$ 31,309,406	$ 28,483,752

$19,715,768, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

Year Ending June 30,	Amount
2027	$ 3,382
2028	(8,740,787)
2029	(6,398,419)
2030	(1,754,290)
	$ (16,890,114)

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

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

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

MPSERS (Plan) Non-University Employers	September 30, 2025	September 30, 2024
Total other postemployment benefits liability	$ 9,360,649,860	$ 9,991,545,923
Plan fiduciary net position	$ 15,439,767,833	$ 14,295,943,589
Net other postemployment benefits liability (asset)	$ (6,079,117,973)	$ (4,304,397,666)
Proportionate share	0.45842%	0.45411%
Net other postemployment benefits liability (asset) for the District	$ (27,867,984)	$ (19,546,743)

For the year ended June 30, 2026, the District recognized OPEB benefit of $9,001,108.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 3,719,281	$ 295,565
Net difference between projected and actual earnings on OPEB plan investments	-	3,916,060
Differences between expected and actual experience	-	19,079,743
Changes in proportion and differences between employer contributions and proportionate share of contributions	287,762	134,157
Reporting Unit's contributions subsequent to the measurement date	840,207	-
	$ 4,847,250	$ 23,425,525

$840,207, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

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

Year Ending June 30,	Amount
2027	$ (5,179,234)
2028	(5,086,866)
2029	(4,693,015)
2030	(3,048,491)
2031	(1,077,224)
2032	(333,652)
	$ (19,418,482)

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions

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

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

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

Inflation - 3.0%.

Mortality Assumptions -

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

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

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

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

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

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

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

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

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

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

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

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

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

Pension Discount Rate - A single discount rate of 6.00% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 6.00%. The projection of cash flows used to determine this single discount rate 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.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (concluded)

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	$ 147,843,358	$ 93,687,067	$ 48,581,808

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 benefits liability (asset)	$ (24,010,032)	$ (27,867,984)	$ (31,244,529)

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

	Other Postemployment Benefits		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	$ (31,213,718)	$ (27,867,984)	$ (24,355,074)

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (concluded)

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 - RISK MANAGEMENT

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (worker's compensation), as well as medical benefits provided to employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past 3 fiscal years.

The District participates in the MASB-SEG Property Casualty Pool program. This program provides substantially all the insurance needs of the District, including property, general liability, automobile, and umbrella, with no significant changes in coverage from the prior year. The contributions made by the District fund the program at rates predicated on expected losses, excess insurance premium contribution, and administration costs, including appropriate state assessment. The members of the trust have contributed amounts sufficient to fund individual and aggregate losses of up to $1,000,000 each, along with a $6,000,000 umbrella coverage.

The District is insured for health benefits through the West Michigan Health Insurance Pool for certain employees of the District which includes medical coverage, of which hospitalization is a component, and prescription drug coverage. The pool pays the first $600,000 of claims for every participant. The District has purchased excess insurance to cover claims exceeding this amount, both individually and in the aggregate.

The District is insured under the Michigan Workers Disability Compensation Act through the SEG Worker's Compensation Fund. The fund (risk-sharing pool) pays the first $750,000 of any worker's compensation and $1,000,000 employers' liability exposure.

The District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the District must reimburse the Employment Commission for all benefits charged against the District. The District believes that any claims incurred but not reported would be insignificant.

NOTE 9 - TRANSFERS

As of June 30, 2026, $477,068 was transferred between the debt service funds.

NOTE 10 - CONTINGENT LIABILITIES

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

NOTE 11 - TAX ABATEMENTS

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

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

	Taxes Abated				
Municipality	IFT	Brownfield	PILOT	Other	Total
Holland Charter Township	$ 260,783	$ 58,319	$ 54,196	$ 36,118	$ 409,416
Olive Township	4,845	-	-	-	4,845
	$ 265,628	$ 58,319	$ 54,196	$ 36,118	$ 414,261

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 were no abatements made by the District.

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS

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

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLES

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Variance with Original and Final Budget	Actual	Variance with Final Budget and Actual
	Original	Final			
REVENUES					
Local sources	$ 21,627,763	$ 22,020,242	$ 392,479	$ 22,183,849	$ 163,607
State sources	68,770,407	74,322,481	5,552,074	74,503,333	180,852
Federal sources	3,452,000	4,385,042	933,042	4,376,778	(8,264)
Incoming transfers and other	10,121,819	11,221,686	1,099,867	11,024,143	(197,543)
TOTAL REVENUES	103,971,989	111,949,451	7,977,462	112,088,103	138,652
EXPENDITURES					
Current					
Instruction					
Basic programs	51,320,042	54,297,524	(2,977,482)	54,576,394	(278,870)
Added needs	14,520,876	15,895,396	(1,374,520)	15,736,318	159,078
Total instruction	65,840,918	70,192,920	(4,352,002)	70,312,712	(119,792)
Supporting services					
Pupil	6,025,000	6,507,656	(482,656)	6,662,326	(154,670)
Instructional staff	5,913,525	6,938,021	(1,024,496)	7,071,244	(133,223)
General administration	806,984	837,542	(30,558)	810,151	27,391
School administration	6,716,996	6,678,534	38,462	6,636,506	42,028
Business	1,191,778	1,271,897	(80,119)	1,264,934	6,963
Operation/maintenance	10,102,150	11,735,897	(1,633,747)	11,608,327	127,570
Pupil transportation	4,329,243	4,183,125	146,118	4,218,888	(35,763)
Central	1,216,878	1,291,256	(74,378)	1,203,393	87,863
Athletics	2,759,336	2,846,280	(86,944)	2,753,773	92,507
Total supporting services	39,061,890	42,290,208	(3,228,318)	42,229,542	60,666
Community services	511,037	558,219	(47,182)	485,436	72,783
Capital outlay and other	142,244	210,817	(68,573)	200,238	10,579
TOTAL EXPENDITURES	105,556,089	113,252,164	(7,696,075)	113,227,928	24,236
NET CHANGE IN FUND BALANCE	(1,584,100)	(1,302,713)	281,387	(1,139,825)	162,888
FUND BALANCE					
Beginning of year	32,666,537	32,666,537	-	32,666,537	-
End of year	$ 31,082,437	$ 31,363,824	$ 281,387	$ 31,526,712	$ 162,888

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Reporting Unit's proportion of net pension liability (%)	0.46766%	0.44903%	0.44574%	0.44742%	0.44727%	0.44798%	0.44849%	0.45466%	0.45840%	0.46027%
Reporting Unit's proportionate share of net pension liability	$ 93,687,067	$ 109,931,661	$ 144,267,834	$ 168,268,992	$ 105,898,948	$ 153,886,161	$ 148,525,879	$ 136,679,364	$ 118,791,816	$ 114,833,132
Reporting Unit's covered-employee payroll	$ 53,388,697	$ 46,188,669	$ 44,806,389	$ 44,963,906	$ 40,266,034	$ 39,635,134	$ 38,824,228	$ 36,794,433	$ 38,644,745	$ 38,799,114
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	175.48%	238.01%	321.98%	374.23%	263.00%	388.26%	382.56%	371.47%	307.39%	295.97%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	79.44%	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contributions	$ 21,045,466	$ 20,709,140	$ 18,282,651	$ 20,270,967	$ 14,988,074	$ 13,015,202	$ 12,050,949	$ 11,697,607	$ 11,766,432	$ 10,335,560
Contributions in relation to statutorily required contributions	21,045,466	20,709,140	18,282,651	20,270,967	14,988,074	13,015,202	12,050,949	11,697,607	11,766,432	10,335,560
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 57,286,220	$ 52,430,936	$ 47,356,275	$ 44,405,598	$ 42,790,281	$ 39,384,233	$ 39,595,133	$ 38,665,365	$ 38,146,494	$ 37,878,158
Contributions as a percentage of covered-employee payroll	36.74%	39.50%	38.61%	45.65%	35.03%	33.05%	30.44%	30.25%	30.85%	27.29%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability/asset (%)	0.45842%	0.45411%	0.44641%	0.44424%	0.44620%	0.44816%	0.44477%	0.45128%	0.45772%
Reporting Unit's proportionate share of net OPEB liability (asset)	$ (27,867,984)	$ (19,546,743)	$ (2,525,345)	$ 9,409,261	$ 6,810,756	$ 24,009,049	$ 31,924,826	$ 35,872,101	$ 40,533,595
Reporting Unit's covered-employee payroll	$ 53,388,697	$ 46,188,669	$ 44,806,389	$ 44,963,906	$ 40,266,034	$ 39,635,134	$ 38,824,228	$ 36,794,433	$ 38,644,745
Reporting Unit's proportionate share of net OPEB liability/asset as a percentage of its covered-employee payroll	52.20%	42.32%	5.64%	20.93%	16.91%	60.58%	82.23%	97.49%	104.89%
Plan fiduciary net position as a percentage of total OPEB liability/asset (Non-university employers)	164.94%	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

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

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	$ 941,654	$ 268,869	$ 3,895,468	$ 3,627,463	$ 3,542,753	$ 3,416,453	$ 3,379,893	$ 3,204,538	$ 3,729,757
Contributions in relation to statutorily required contributions	941,654	268,869	3,895,468	3,627,463	3,542,753	3,416,453	3,379,893	3,204,538	3,729,757
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 57,286,220	$ 52,430,936	$ 47,356,275	$ 44,405,598	$ 42,790,281	$ 39,384,233	$ 39,595,133	$ 38,665,365	$ 38,146,494
Contributions as a percentage of covered-employee payroll	1.64%	0.51%	8.23%	8.17%	8.28%	8.67%	8.54%	8.29%	9.78%

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.

WEST OTTAWA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 1 - BUDGETARY BASIS OF ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue fund(s). The capital projects funds are appropriated on a project-length basis. Other funds do not have appropriated budgets.

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

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

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

b. Public hearings are conducted to obtain taxpayer comments.

c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund 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 final budget was approved prior to June 30, 2026.

NOTE 2 - BUDGETARY COMPARISON

Significant Variances Between Original and Final Budget

	Variance	Explanation
REVENUES		
State sources	$ 5,552,074	Initial budget was based on a smaller foundation allowance per pupil as well as the elimination of many categorical grant funds. It was very conservative as we did not know the School Aid Budget until almost four months after the original budget was created.
Federal sources	933,042	The original budget anticipated a reduction to Title I due to anticipated drop in the student counts and indications from the Federal government and Trump administration. As noted above, there was an actual increase in students eligible for Title I and no reductions in the funding.
Incoming transfers and other	1,099,867	We were somewhat conservative with our initial budget for Act 18 and enhancement millage payments from OAISD. They came in better than projected based on their formulas and West Ottawa having a better enrollment than neighboring districts.
EXPENDITURES		
Instruction - Basic programs	(2,977,482)	The original budget was established with anticipation on not filling all the positions available. With the increase in student counts, all available positions were indeed filled during the year. There were also increases in categorical fund expenses such as 27L(2), which paid all staff a bonus payment, with most in basic programs.
Instruction - Added needs	(1,374,520)	The original budget was established with anticipation on not filling all the positions available. With the increase in student counts, all available positions were indeed filled during the year.
Supporting services - Instructional staff	(1,024,496)	The original budget was established with anticipation on not filling all the positions available. With the increase in student counts, all available positions were indeed filled during the year.
Supporting services - Operation/maintenance	(1,633,747)	We continue to assess district operational needs throughout the school year and adjust the budget as necessary.

Significant Variances Between Final Budget and Actual

There were no variances between the final budget and actual that the District deemed to be significant.

NOTE 3 - PENSION INFORMATION

Benefit Changes

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

Changes in Assumptions

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

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

NOTE 4 - OPEB INFORMATION

Benefit Changes

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

Changes in Assumptions

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

- 2025 - The health care cost trend rate used in the September 30, 2024, actuarial valuation increased by 0.50 percentage points for members under 65. This increased the plan's total OPEB liability by $267 million in 2025.
- 2024 - The health care cost trend rate used in the September 30, 2023, actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage point for members over 65.

NOTE 4 - OPEB INFORMATION (concluded)

Changes in Assumptions (concluded)

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

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

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

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

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

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

ADDITIONAL SUPPLEMENTARY INFORMATION

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

	Special Revenues		Nonmajor Debt Service	Nonmajor Capital Projects	Total
	Food Service	Student/School Activities			
ASSETS					
Cash and cash equivalents	$ 871,945	$ 1,725,377	$ 3,460,288	$ 10,045,484	$ 16,103,094
Investments	-	24,021	-	-	24,021
Accounts receivable	42,370	-	-	20,362	62,732
Taxes receivable	-	-	27,251	20	27,271
Intergovernmental receivable	353,679	-	-	-	353,679
Due from other funds	259,160	-	-	32,437	291,597
Inventories	94,369	-	-	-	94,369
Prepaids	12,940	-	-	-	12,940
TOTAL ASSETS	$ 1,634,463	$ 1,749,398	$ 3,487,539	$ 10,098,303	$ 16,969,703
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 9,701	$ 30,426	$ -	$ -	$ 40,127
Accrued salaries and related items	35,379	-	-	-	35,379
Accrued retirement	6,218	-	-	-	6,218
Due to other funds	688	25,815	-	-	26,503
Unearned revenue	32,569	-	-	-	32,569
TOTAL LIABILITIES	84,555	56,241	-	-	140,796
FUND BALANCES					
Nonspendable					
Inventories	94,369	-	-	-	94,369
Prepaids	12,940	-	-	-	12,940
Restricted	1,442,599	-	3,487,539	3,188,351	8,118,489
Committed for student/school activities	-	1,693,157	-	-	1,693,157
Assigned					
Capital projects	-	-	-	6,909,952	6,909,952
TOTAL FUND BALANCES	1,549,908	1,693,157	3,487,539	10,098,303	16,828,907
TOTAL LIABILITIES AND FUND BALANCES	$ 1,634,463	$ 1,749,398	$ 3,487,539	$ 10,098,303	$ 16,969,703

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

	Special Revenues		Nonmajor	Nonmajor	
	Food Service	Student/School Activities	Debt Service	Capital Projects	Total
REVENUES					
Local sources					
Property taxes	$ -	$ -	$ 25,614,168	$ 2,715	$ 25,616,883
Investment earnings	30,442	-	297,911	372,266	700,619
Student/school activities	-	1,756,410	-	-	1,756,410
Food sales	484,168	-	-	-	484,168
Other	310	-	-	210,217	210,527
Total local sources	514,920	1,756,410	25,912,079	585,198	28,768,607
State sources	1,526,844	-	960,767	33,224	2,520,835
Federal sources	4,122,154	-	-	-	4,122,154
TOTAL REVENUES	6,163,918	1,756,410	26,872,846	618,422	35,411,596
EXPENDITURES					
Current					
Food service activities	6,228,420	-	-	-	6,228,420
Student/school activities	-	2,058,432	-	-	2,058,432
Capital outlay	30,210	-	-	285,330	315,540
Debt service					
Principal repayment	-	-	17,550,000	-	17,550,000
Interest	-	-	8,429,337	-	8,429,337
Other	-	-	3,218	-	3,218
TOTAL EXPENDITURES	6,258,630	2,058,432	25,982,555	285,330	34,584,947
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(94,712)	(302,022)	890,291	333,092	826,649
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	477,068	-	477,068
Transfers out	-	-	(477,068)	-	(477,068)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(94,712)	(302,022)	890,291	333,092	826,649
FUND BALANCES					
Beginning of year	1,644,620	1,995,179	2,597,248	9,765,211	16,002,258
End of year	$ 1,549,908	$ 1,693,157	$ 3,487,539	$ 10,098,303	$ 16,828,907

WEST OTTAWA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2026

	2016 Refunding	2017 Refunding	2018	2019	2020	2020 Refunding	2021	2022	2023	2024	Total Debt Service
ASSETS											
Cash and cash equivalents	$ -	$ 258,832	$ 90,634	$ 174,327	$ 86,866	$ 299,359	$ -	$ 806,628	$ 235,562	$ 1,508,080	$ 3,460,288
Taxes receivable	-	2,762	690	1,381	363	3,016	-	11,373	1,344	6,322	27,251
TOTAL ASSETS	$ -	$ 261,594	$ 91,324	$ 175,708	$ 87,229	$ 302,375	$ -	$ 818,001	$ 236,906	$ 1,514,402	$ 3,487,539
FUND BALANCES											
Restricted for debt service	$ -	$ 261,594	$ 91,324	$ 175,708	$ 87,229	$ 302,375	$ -	$ 818,001	$ 236,906	$ 1,514,402	$ 3,487,539
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 261,594	$ 91,324	$ 175,708	$ 87,229	$ 302,375	$ -	$ 818,001	$ 236,906	$ 1,514,402	$ 3,487,539

WEST OTTAWA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2026

	2016 Refunding	2017 Refunding	2018	2019	2020	2020 Refunding	2021	2022	2023	2024	Total Debt Service
REVENUES											
Local sources											
Property taxes	$ 841,131	$ 1,754,441	$ 648,891	$ 1,297,785	$ 341,522	$ 2,834,636	$ 8,714,099	$ 1,975,542	$ 1,263,633	$ 5,942,488	$ 25,614,168
Investment earnings	8,837	24,854	7,320	14,639	3,853	36,539	85,436	35,146	14,254	67,033	297,911
State sources	30,853	66,505	24,339	48,679	12,810	106,325	319,637	81,323	47,398	222,898	960,767
TOTAL REVENUES	880,821	1,845,800	680,550	1,361,103	358,185	2,977,500	9,119,172	2,092,011	1,325,285	6,232,419	26,872,846
EXPENDITURES											
Principal repayment	870,000	1,610,000	350,000	515,000	-	2,960,000	9,680,000	-	-	1,565,000	17,550,000
Interest	7,352	279,200	301,250	777,600	294,000	67,706	51,304	1,870,300	1,208,500	3,572,125	8,429,337
Other	168	400	400	400	400	400	-	350	350	350	3,218
TOTAL EXPENDITURES	877,520	1,889,600	651,650	1,293,000	294,400	3,028,106	9,731,304	1,870,650	1,208,850	5,137,475	25,982,555
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,301	(43,800)	28,900	68,103	63,785	(50,606)	(612,132)	221,361	116,435	1,094,944	890,291
OTHER FINANCING SOURCES (USES)											
Transfers in	1,386	78,595	-	-	61	-	-	395,803	406	817	477,068
Transfers out	(78,595)	(382)	(36)	(34)	-	(646)	(397,375)	-	-	-	(477,068)
TOTAL OTHER FINANCING SOURCES (USES)	(77,209)	78,213	(36)	(34)	61	(646)	(397,375)	395,803	406	817	-
NET CHANGE IN FUND BALANCES	(73,908)	34,413	28,864	68,069	63,846	(51,252)	(1,009,507)	617,164	116,841	1,095,761	890,291
FUND BALANCES											
Beginning of year	73,908	227,181	62,460	107,639	23,383	353,627	1,009,507	200,837	120,065	418,641	2,597,248
End of year	$ -	$ 261,594	$ 91,324	$ 175,708	$ 87,229	$ 302,375	$ -	$ 818,001	$ 236,906	$ 1,514,402	$ 3,487,539

WEST OTTAWA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2026

	Sinking Fund	Building Transfer	Capital Improvement	Total Nonmajor Capital Projects
ASSETS				
Cash and cash equivalents	$ 3,188,331	$ 6,847,153	$ 10,000	$ 10,045,484
Accounts receivable	-	20,362	-	20,362
Due from other funds	-	32,437	-	32,437
Taxes receivable	20	-	-	20
TOTAL ASSETS	$ 3,188,351	$ 6,899,952	$ 10,000	$ 10,098,303
FUND BALANCES				
Restricted	$ 3,188,351	$ -	$ -	$ 3,188,351
Assigned				
Capital projects	-	6,899,952	10,000	6,909,952
TOTAL FUND BALANCES	3,188,351	6,899,952	10,000	10,098,303
TOTAL LIABILITIES AND FUND BALANCES	$ 3,188,351	$ 6,899,952	$ 10,000	$ 10,098,303

WEST OTTAWA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2026

	Sinking Fund	Building Transfer	Capital Improvement	Total Nonmajor Capital Projects
REVENUES				
Property taxes	$ 2,715	$ -	$ -	$ 2,715
Investment earnings	117,831	254,435	-	372,266
State sources	33,224	-	-	33,224
Other	-	210,217	-	210,217
TOTAL REVENUES	153,770	464,652	-	618,422
EXPENDITURES				
Capital outlay	57,769	227,561	-	285,330
NET CHANGE IN FUND BALANCES	96,001	237,091	-	333,092
FUND BALANCES				
Beginning of year	3,092,350	6,662,861	10,000	9,765,211
End of year	$ 3,188,351	$ 6,899,952	$ 10,000	$ 10,098,303

WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2026

2017 Refunding Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2027	4.00%	$ 825,000	$ 107,000	$ 123,500	$ 1,055,500
2028	5.00%	835,000	86,125	107,000	1,028,125
2029	5.00%	845,000	65,000	86,125	996,125
2030	5.00%	865,000	43,375	65,000	973,375
2031	5.00%	870,000	21,625	43,375	935,000
2032	5.00%	865,000	-	21,625	886,625
	Total	$ 5,105,000	$ 323,125	$ 446,625	$ 5,874,750

The above bonds dated December 27, 2017 were issued for the purpose of refunding bonds issued in prior years. The amount of the original bond issue was $12,835,000.

WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2026

2018 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2027	5.00%	$ 375,000	$ 136,875	$ 146,250	$ 658,125
2028	5.00%	400,000	126,875	136,875	663,750
2029	5.00%	425,000	116,250	126,875	668,125
2030	5.00%	450,000	105,000	116,250	671,250
2031	5.00%	450,000	93,750	105,000	648,750
2032	5.00%	475,000	81,875	93,750	650,625
2033	5.00%	500,000	69,375	81,875	651,250
2034	5.00%	525,000	56,250	69,375	650,625
2035	5.00%	550,000	42,500	56,250	648,750
2036	5.00%	550,000	28,750	42,500	621,250
2037	5.00%	575,000	14,375	28,750	618,125
2038	5.00%	575,000	-	14,375	589,375
	Total	$ 5,850,000	$ 871,875	$ 1,018,125	$ 7,740,000

The above bonds dated May 23, 2018 were issued for the purpose of school building and site. The amount of the original bond issue was $13,795,000.

WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2026

2019 Building and Site Bonds

June 30,	Interest Rate	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2027	4.00%	$ 540,000	$ 378,500	$ 378,500	$ 1,297,000
2028	4.00%	560,000	367,700	367,700	1,295,400
2029	5.00%	565,000	356,500	356,500	1,278,000
2030	5.00%	565,000	342,375	342,375	1,249,750
2031	5.00%	565,000	328,250	328,250	1,221,500
2032	5.00%	565,000	314,125	314,125	1,193,250
2033	5.00%	1,000,000	300,000	300,000	1,600,000
2034	5.00%	1,000,000	275,000	275,000	1,550,000
2035	5.00%	1,000,000	250,000	250,000	1,500,000
2036	5.00%	1,000,000	225,000	225,000	1,450,000
2037	5.00%	1,000,000	200,000	200,000	1,400,000
2038	5.00%	1,000,000	175,000	175,000	1,350,000
2039	5.00%	1,000,000	150,000	150,000	1,300,000
2040	5.00%	1,000,000	125,000	125,000	1,250,000
2041	5.00%	1,000,000	100,000	100,000	1,200,000
2042	5.00%	1,000,000	75,000	75,000	1,150,000
2043	5.00%	1,000,000	50,000	50,000	1,100,000
2044	5.00%	1,000,000	25,000	25,000	1,050,000
	Total	$ 15,360,000	$ 4,037,450	$ 4,037,450	$ 23,434,900

The above bonds dated May 7, 2019 were issued for the purpose of school building and site. The amount of the original bond issue was $22,190,000.

WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2026

2020 Building and Site Bonds

June 30,	Interest Rate	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2027	4.00%	$ -	$ 147,000	$ 147,000	$ 294,000
2028	4.00%	2,175,000	147,000	147,000	2,469,000
2029	4.00%	2,425,000	103,500	103,500	2,632,000
2030	4.00%	2,750,000	55,000	55,000	2,860,000
	Total	$ 7,350,000	$ 452,500	$ 452,500	$ 8,255,000

The above bonds dated June 25, 2020 were issued for the purpose of school building and site. The amount of the original bond issue was $7,350,000.

WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2026

2020 Refunding Bonds

June 30,	Interest Rate	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2027	1.42%	$ 2,055,000	$ 14,539	$ 14,539	$ 2,084,078

The above bonds dated July 30, 2020 were issued for the purpose of refunding bonds issued in prior years. The amount of the original bond issue was $22,525,000.

WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2026

2021 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2027	5.00%	$ 2,020,000	$ 884,650	$ 935,150	$ 3,839,800
2028	5.00%	2,055,000	833,275	884,650	3,772,925
2029	5.00%	2,030,000	782,525	833,275	3,645,800
2030	5.00%	1,950,000	733,775	782,525	3,466,300
2031	5.00%	2,395,000	673,900	733,775	3,802,675
2032	4.00%	2,395,000	626,000	673,900	3,694,900
2033	4.00%	2,395,000	578,100	626,000	3,599,100
2034	4.00%	2,395,000	530,200	578,100	3,503,300
2035	4.00%	2,395,000	482,300	530,200	3,407,500
2036	4.00%	2,395,000	434,400	482,300	3,311,700
2037	4.00%	2,390,000	386,600	434,400	3,211,000
2038	4.00%	2,390,000	338,800	386,600	3,115,400
2039	4.00%	2,390,000	291,000	338,800	3,019,800
2040	4.00%	2,385,000	243,300	291,000	2,919,300
2041	4.00%	2,390,000	195,500	243,300	2,828,800
2042	4.00%	2,360,000	148,300	195,500	2,703,800
2043	4.00%	1,965,000	109,000	148,300	2,222,300
2044	4.00%	1,950,000	70,000	109,000	2,129,000
2045	4.00%	1,500,000	40,000	70,000	1,610,000
2046	4.00%	1,000,000	20,000	40,000	1,060,000
2047	4.00%	1,000,000	-	20,000	1,020,000
	Total	$ 44,145,000	$ 8,401,625	$ 9,336,775	$ 61,883,400

The above bonds dated November 9, 2021 were issued for the purpose of school building and site. The amount of the original bond issue was $50,175,000.

WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2026

2023 General Obligation Bonds

June 30,	Interest Rate	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2027	5.00%	$ 650,000	$ 604,250	$ 604,250	$ 1,858,500
2028	5.00%	675,000	588,000	588,000	1,851,000
2029	5.00%	700,000	571,125	571,125	1,842,250
2030	5.00%	725,000	553,625	553,625	1,832,250
2031	5.00%	1,110,000	535,500	535,500	2,181,000
2032	5.00%	1,135,000	507,750	507,750	2,150,500
2033	5.00%	1,160,000	479,375	479,375	2,118,750
2034	5.00%	1,185,000	450,375	450,375	2,085,750
2035	5.00%	1,200,000	420,750	420,750	2,041,500
2036	5.00%	1,200,000	390,750	390,750	1,981,500
2037	5.00%	1,200,000	360,750	360,750	1,921,500
2038	5.00%	1,200,000	330,750	330,750	1,861,500
2039	5.00%	1,200,000	300,750	300,750	1,801,500
2040	5.00%	1,200,000	270,750	270,750	1,741,500
2041	5.00%	1,200,000	240,750	240,750	1,681,500
2042	5.00%	1,200,000	210,750	210,750	1,621,500
2043	5.00%	1,205,000	180,750	180,750	1,566,500
2044	5.00%	1,205,000	150,625	150,625	1,506,250
2045	5.00%	1,205,000	120,500	120,500	1,446,000
2046	5.00%	1,205,000	90,375	90,375	1,385,750
2047	5.00%	1,205,000	60,250	60,250	1,325,500
2048	5.00%	1,205,000	30,125	30,125	1,265,250
	Total	$ 24,170,000	$ 7,448,625	$ 7,448,625	$ 39,067,250

The above bonds dated June 14, 2023 were issued for the purpose of school building and site. The amount of the original bond issue was $28,870,000.

WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2026

2024 General Obligation Bonds

		Principal Due		Interest Due		
June 30,	Interest Rate	May 1	November 1	May 1	November 1	Total Due Annually
2027	5.00%	$ -	$ 12,040,000	$ 1,465,500	$ 1,766,500	$ 15,272,000
2028	5.00%	-	4,300,000	1,358,000	1,465,500	7,123,500
2029	5.00%	-	4,450,000	1,246,750	1,358,000	7,054,750
2030	5.00%	-	4,660,000	1,130,250	1,246,750	7,037,000
2031	5.00%	-	4,910,000	1,007,500	1,130,250	7,047,750
2032	5.00%	-	5,140,000	879,000	1,007,500	7,026,500
2033	5.00%	-	5,385,000	744,375	879,000	7,008,375
2034	5.00%	-	5,640,000	603,375	744,375	6,987,750
2035	5.00%	1,120,000	-	603,375	603,375	1,206,750
2036	5.00%	1,175,000	-	575,375	575,375	1,150,750
2037	5.00%	1,230,000	-	546,000	546,000	1,092,000
2038	5.00%	1,295,000	-	515,250	515,250	1,030,500
2039	5.00%	1,360,000	-	482,875	482,875	965,750
2040	5.00%	1,430,000	-	448,875	448,875	897,750
2041	5.00%	1,500,000	-	413,125	413,125	826,250
2042	5.00%	1,575,000	-	375,625	375,625	751,250
2043	5.00%	1,650,000	-	336,250	336,250	672,500
2044	5.00%	1,735,000	-	295,000	295,000	590,000
2045	5.00%	1,820,000	-	251,625	251,625	503,250
2046	5.00%	1,910,000	-	206,125	206,125	412,250
2047	5.00%	2,010,000	-	158,375	158,375	316,750
2048	5.00%	2,110,000	-	108,125	108,125	216,250
2049	5.00%	2,215,000	-	55,375	55,375	110,750
	Total	$ 24,135,000	$ 46,525,000	$ 13,806,125	$ 14,969,250	$ 75,300,375

The above bonds dated May 20, 2024 were issued for the purpose of school building and site. The amount of the original bond issue was $73,225,000.

WEST OTTAWA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION OVERVIEW
2025 - 2026

The statistical section contains a wide array of financial and other information that covers several years and reflects social, economic, and financial trends of the District and the area in which the District operates. This section is designed to give the reader a more thorough understanding of the District as a whole than is available in the basic financial statements taken in isolation. The schedules in this section are aggregated 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 CAPACITY
These schedules contain information to help the reader assess the District's revenue generating capacity. It should be noted that school funding in Michigan is based on a per student "foundation" amount that is determined by the State of Michigan. Some of the amount determined by the state is raised locally through a 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.

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

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

OPERATING INFORMATION
These schedules contain data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Unless otherwise noted, the information in these schedules is derived from the audited annual financial reports for the relevant year. Certain other information had not been presented previously. The reported numbers begin with the year for which information believed to be accurate is available.

FINANCIAL TRENDS

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Net Position by Component
2017 - 2026

	Fiscal Year		
Year ended June 30,	**2017**	**2018** [2]	**2019**
Governmental Activities			
Net investment in capital assets	$ 42,699,323	$ 50,772,203	$ 65,795,204
Restricted	462,650	1,660,242	453,808
Unrestricted	(84,840,964)	(126,463,911)	(129,519,145)
Total Primary Government Net Position	$ (41,678,991)	$ (74,031,466)	$ (63,270,133)

[1] Net position was restated for fiscal year 2025 as of July 1, 2024 with the implementation of GASB Statement 101 as well as a restatement for capital assets related to CIP.
[2] Net position was restated for fiscal year 2018 as of July 1, 2017 with the implementation of GASB Statement 75.
[3] Net position was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB Statement 84.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Net Position by Component
2017 - 2026

	Fiscal Year						
	2020 [3]	**2021**	**2022**	**2023**	**2024**	**2025** [1]	**2026**
$	64,828,780	$ 70,267,864	$ 70,754,663	$ 72,370,792	$ 83,463,454	$ 101,640,088	$ 103,244,508
	2,025,560	2,789,290	3,012,078	3,244,728	7,711,671	23,808,330	33,171,978
	(134,084,592)	(136,020,345)	(121,795,844)	(112,336,175)	(94,747,806)	(96,125,758)	(79,860,065)
$	(67,230,252)	$ (62,963,191)	$ (48,029,103)	$ (36,720,655)	$ (3,572,681)	$ 29,322,660	$ 56,556,421

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Expenses, Program Revenues, and Net Expense
2017 - 2026

	Fiscal Year		
Year Ended June 30,	**2017**	**2018**	**2019**
Expenses			
Governmental Activities			
Instruction	$ 49,124,124	$ 51,831,632	$ 51,468,755
Support services	19,777,059	21,253,780	22,159,225
Community services	271,776	288,892	262,576
Food services	3,864,801	3,745,830	3,778,367
Student/school activities	-	-	-
Interest on long-term debt	5,225,389	4,713,177	4,707,960
Unallocated depreciation	4,457,804	4,037,812	3,738,642
Total Expenses	82,720,953	85,871,123	86,115,525
Program Revenues			
Governmental Activities			
Charges for services:			
Instruction	109,019	103,051	104,598
Support services	130,975	134,694	96,387
Food services	1,170,296	1,120,049	1,183,173
Operating grants and contributions	17,038,196	18,719,153	18,569,936
Total Program Revenues	18,448,486	20,076,947	19,954,094
Net Expense	$ (64,272,467)	$ (65,794,176)	$ (66,161,431)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Expenses, Program Revenues, and Net Expense
2017 - 2026

	Fiscal Year						
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
$	54,870,445	$ 53,453,707	$ 47,099,063	$ 54,410,113	$ 56,089,477	$ 55,058,812	$ 53,248,919
	34,455,672	32,388,856	36,869,217	38,450,107	37,765,486	35,783,094	40,331,456
	343,025	380,675	349,007	349,478	542,198	597,210	519,385
	4,199,900	3,908,984	4,006,763	4,766,011	5,231,164	5,177,432	5,896,414
	1,365,037	546,701	781,834	1,045,577	1,311,891	1,327,715	2,058,432
	7,576,075	4,051,588	3,804,850	7,406,491	3,262,427	9,097,947	9,162,224
	4,773,258	5,549,951	5,373,349	5,931,309	7,018,255	8,275,861	9,754,973
	107,583,412	100,280,462	98,284,083	112,359,086	111,220,898	115,318,071	120,971,803
	76,574	47,228	73,356	64,607	72,034	58,225	48,331
	101,745	-	82,509	116,933	108,801	156,440	240,281
	1,052,731	279,382	410,756	1,199,105	476,547	414,751	484,478
	20,788,727	23,945,475	28,647,224	26,234,116	38,336,817	34,307,522	40,457,818
	22,019,777	24,272,085	29,213,845	27,614,761	38,994,199	34,936,938	41,230,908
$	(85,563,635)	$ (76,008,377)	$ (69,070,238)	$ (84,744,325)	$ (72,226,699)	$ (80,381,133)	$ (79,740,895)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
General Revenues and Total Change in Net Position
2017 - 2026

	Fiscal Year		
Year Ended June 30,	**2017**	**2018** [2]	**2019**
Net Expense	$ (64,272,467)	$ (65,794,176)	$ (66,161,431)
General Revenues			
Governmental Activities			
Taxes:			
Property taxes levied for general purposes	11,519,032	11,782,053	12,177,760
Property taxes levied for debt service	15,292,320	15,827,830	16,566,276
Property taxes levied for capital projects sinking fund	587,702	604,000	626,633
State sources	39,447,322	39,676,076	40,917,323
Intermediate sources	5,548,347	5,424,135	5,196,732
Interest and investment earnings (loss)	268,130	321,171	956,133
Miscellaneous	543,703	546,823	481,907
Total General Revenues	73,206,556	74,182,088	76,922,764
Change in Net Position	8,934,089	8,387,912	10,761,333
Prior period adjustment or restatement	-	(40,740,387)	-
Net Position- Beginning of Year	(50,613,080)	(41,678,991)	(74,031,466)
Net Position- End of Year	$ (41,678,991)	$ (74,031,466)	$ (63,270,133)

[1] Net position was restated for fiscal year 2025 as of July 1, 2024 with the implementation of GASB Statement 101 as well as a restatement for capital assets related to CIP.
[2] Net position was restated for fiscal year 2018 as of July 1, 2017 with the implementation of GASB Statement 75.
[3] Net position was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB Statement 84.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
General Revenues and Total Change in Net Position
2017 - 2026

	Fiscal Year						
	2020 [3]	**2021**	**2022**	**2023**	**2024**	**2025** [1]	**2026**
$	(85,563,635)	$ (76,008,377)	$ (69,070,238)	$ (84,744,325)	$ (72,226,699)	$ (80,381,133)	$ (79,740,895)
	12,822,624	13,385,295	13,994,887	15,298,005	17,257,101	18,525,077	20,199,417
	17,499,872	18,421,076	19,133,542	20,653,192	22,675,587	23,913,290	25,614,168
	655,644	711,051	730,765	779,368	855,605	918,046	2,715
	40,004,363	40,837,004	42,963,536	45,825,487	50,651,115	52,492,059	45,270,093
	6,837,972	6,571,003	7,188,818	7,803,961	8,466,124	9,389,943	10,987,386
	1,504,145	200,117	(301,876)	2,053,329	4,427,309	7,412,460	4,496,343
	528,115	149,892	294,654	3,639,431	1,041,832	211,523	404,534
	79,852,735	80,275,438	84,004,326	96,052,773	105,374,673	112,862,398	106,974,656
	(5,710,900)	4,267,061	14,934,088	11,308,448	33,147,974	32,481,265	27,233,761
	1,750,781	-	-	-	-	414,076	-
	(63,270,133)	(67,230,252)	(62,963,191)	(48,029,103)	(36,720,655)	(3,572,681)	29,322,660
$	(67,230,252)	$ (62,963,191)	$ (48,029,103)	$ (36,720,655)	$ (3,572,681)	$ 29,322,660	$ 56,556,421

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Fund Balances - Governmental Funds
2017 - 2026

	Fiscal Year		
Year Ended June 30,	**2017**	**2018**	**2019**
General Fund			
Nonspendable	$ 115,131	$ 125,504	$ 120,887
Assigned	-	-	700,000
Unassigned	14,830,562	15,906,096	14,906,908
Total General Fund	14,945,693	16,031,600	15,727,795
All Other Governmental Funds			
Nonspendable	41,590	17,083	23,862
Restricted for capital projects	17,163,082	24,232,785	43,904,226
Restricted for debt service	1,389,622	1,982,836	1,817,069
Restricted for food service	819,499	973,571	1,070,128
Committed for student/school activities	-	-	-
Assigned	3,478,105	945,093	1,329,627
Total All Other Governmental Funds	22,891,898	28,151,368	48,144,912
Total Fund Balances	$ 37,837,591	$ 44,182,968	$ 63,872,707

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Fund Balances - Governmental Funds
2017 - 2026

	Fiscal Year						
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
$	192,430	$ 266,958	$ 517,260	$ 200,225	$ 623,542	$ 387,175	$ 308,772
	208,000	-	-	-	1,630,000	1,584,100	1,852,733
	16,217,142	19,379,664	21,437,055	25,449,029	31,212,879	30,695,262	29,365,207
	16,617,572	19,646,622	21,954,315	25,649,254	33,466,421	32,666,537	31,526,712
	7,005	11,347	11,375	12,714	13,368	14,000	107,309
	45,533,169	28,134,370	50,527,350	49,649,417	95,237,657	69,798,471	19,303,616
	1,754,791	1,553,312	1,779,224	3,512,037	2,766,125	2,597,248	3,487,539
	1,129,375	1,222,603	2,321,106	2,022,142	1,718,573	1,630,620	1,442,599
	1,443,100	1,482,314	1,792,987	1,909,045	1,895,653	1,995,179	1,693,157
	1,801,148	1,936,447	2,076,007	5,753,149	6,148,470	6,672,861	6,909,952
	51,668,588	34,340,393	58,508,049	62,858,504	107,779,846	82,708,379	32,944,172
$	68,286,160	$ 53,987,015	$ 80,462,364	$ 88,507,758	$ 141,246,267	$ 115,374,916	$ 64,470,884

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Revenues
2017 - 2026

	Fiscal Year		
Year Ended June 30,	**2017**	**2018**	**2019**
Revenues			
Federal Sources			
Federal grants	$ 2,848,826	$ 2,700,591	$ 3,081,656
Food service fund	2,787,516	2,702,355	2,748,904
Total federal sources	5,636,342	5,402,946	5,830,560
State Sources			
Restricted	11,849,137	13,172,346	13,012,964
Unrestricted	39,447,322	39,676,076	40,917,323
Total state sources	51,296,459	52,848,422	53,930,287
Other Governmental Units			
Ottawa Area ISD and other districts	5,633,943	5,424,135	5,196,732
Miscellaneous	29,425	25,190	83,061
Total other governmental units	5,663,368	5,449,325	5,279,793
Local Sources			
Property taxes	27,399,054	28,213,883	29,370,669
Student/school activities	-	-	-
Food sales	1,140,209	1,080,728	1,030,557
Investment earnings (loss)	268,130	321,171	956,133
Miscellaneous	710,348	884,227	740,028
Total local sources	29,517,741	30,500,009	32,097,387
Total Revenues	$ 92,113,910	$ 94,200,702	$ 97,138,027

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Revenues
2017 - 2026

	Fiscal Year						
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
$	3,222,425	$ 6,871,465	$ 11,521,482	$ 6,498,291	$ 7,905,966	$ 4,107,714	$ 4,376,778
	3,037,920	4,027,462	492,035	3,433,487	3,860,349	3,987,599	4,122,154
	6,260,345	10,898,927	12,013,517	9,931,778	11,766,315	8,095,313	8,498,932
	13,385,378	13,370,608	16,739,682	20,152,847	21,985,924	28,530,971	29,520,837
	40,004,363	40,837,004	42,963,536	45,825,487	50,651,115	46,074,071	47,503,331
	53,389,741	54,207,612	59,703,218	65,978,334	72,637,039	74,605,042	77,024,168
	6,837,972	6,571,003	7,188,818	7,819,307	8,466,124	9,389,943	10,987,386
	63,163	1,880	20,000	58,850	26,792	2,687	36,757
	6,901,135	6,572,883	7,208,818	7,878,157	8,492,916	9,392,630	11,024,143
	30,978,140	32,517,422	33,859,194	36,730,565	40,788,293	43,356,413	45,816,300
	1,057,356	585,915	1,092,507	1,161,635	1,298,499	1,427,241	1,756,410
	884,879	273,124	379,609	1,198,400	463,843	414,438	484,168
	1,504,145	200,117	(301,876)	1,998,925	4,427,309	6,544,802	4,496,343
	811,123	211,162	434,573	3,850,898	1,227,938	1,305,237	715,100
	35,235,643	33,787,740	35,464,007	44,940,423	48,205,882	53,048,131	53,268,321
$	101,786,864	$ 105,467,162	$ 114,389,560	$ 128,728,692	$ 141,102,152	$ 145,141,116	$ 149,815,564

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Expenditures and Debt Service Ratio
2017 - 2026

	Fiscal Year		
Year Ended June 30,	**2017**	**2018**	**2019**
Expenditures			
Instruction	$ 48,737,298	$ 49,227,253	$ 49,305,510
Pupil support services	3,714,878	3,869,853	4,024,272
Instructional support services	2,425,123	2,509,976	2,999,980
General administration	538,696	599,846	804,495
School administration	3,279,984	3,419,486	3,694,359
Business services	579,649	613,449	648,581
Operations and maintenance	5,245,591	5,791,705	6,474,669
Pupil transportation services	2,409,560	2,499,977	2,721,551
Central support services	909,015	1,179,456	1,099,088
Other support services	1,121,906	1,234,993	1,329,613
Community services	271,776	288,892	262,576
Student/school activities	-	-	-
Food service	3,855,129	3,742,606	3,643,941
Capital outlay	18,648,593	11,997,640	8,944,181
Debt service			
Principal	6,607,650	6,656,750	7,603,957
Interest and other	9,393,359	9,431,288	9,981,873
Total Expenditures	$ 107,738,207	$ 103,063,170	$ 103,538,646
Debt Service as a Percentage of Noncapital Expenditures	18.0%	17.7%	18.6%

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Expenditures and Debt Service Ratio
2017 - 2026

	Fiscal Year						
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
$	49,502,820	$ 50,301,849	$ 55,305,045	$ 59,618,384	$ 62,373,590	$ 67,643,544	$ 70,312,712
	4,451,443	4,488,420	4,976,951	4,860,564	5,346,792	5,770,305	6,662,326
	3,603,281	3,482,772	4,194,118	4,365,645	5,370,353	6,767,202	7,071,244
	632,825	722,105	767,120	734,336	817,002	843,252	810,151
	4,187,677	4,404,952	4,706,081	5,520,476	5,749,182	5,823,270	6,636,506
	819,069	864,821	1,010,995	975,184	1,199,305	1,174,033	1,264,934
	6,381,202	6,966,271	7,442,697	8,009,391	8,574,610	10,537,362	11,608,327
	2,610,100	2,322,584	2,887,357	3,354,153	3,374,516	4,361,432	4,218,888
	917,221	683,468	790,340	1,008,498	1,129,038	1,238,422	1,203,393
	1,449,110	1,422,698	1,765,686	2,181,446	2,296,962	2,725,931	2,753,773
	343,025	387,864	349,007	307,635	388,598	472,410	485,436
	1,365,037	546,701	781,834	1,045,577	1,311,891	1,327,715	2,058,432
	3,998,340	3,745,194	4,253,353	4,663,532	5,462,186	5,769,583	6,228,420
	9,581,439	19,946,246	38,247,387	35,874,816	39,813,619	31,272,617	53,422,499
	7,281,417	14,990,000	16,375,000	14,440,000	19,420,000	16,750,000	17,550,000
	11,032,390	4,697,426	4,003,459	5,791,435	5,994,755	8,535,389	8,432,555
$	108,156,396	$ 119,973,371	$ 147,856,430	$ 152,751,072	$ 168,622,399	$ 171,012,467	$ 200,719,596
	18.6%	19.7%	18.6%	17.3%	19.7%	18.1%	17.6%

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Other Financing Sources (Uses) and Net Change in Fund Balances, Governmental Funds
2017 – 2026

	Fiscal Year		
Year ended June 30,	**2017**	**2018**	**2019**
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (15,624,297)	$ (8,862,468)	$ (6,400,619)
Other Financing Sources (Uses)			
Issuance of bonds	-	13,795,000	22,190,000
Refunding bonds issued	5,715,000	12,835,000	-
Premium on bonds issued	-	3,180,184	3,887,940
Payment to escrow agent	(5,673,744)	(14,611,442)	-
Proceeds from sale of capital assets	-	9,103	12,418
Transfers in	1,788,900	407,918	256,229
Transfers out	(1,788,900)	(407,918)	(256,229)
Other	(1,328,303)	-	-
Total Other Financing Sources (Uses)	(1,287,047)	15,207,845	26,090,358
Net Change in Fund Balances	$ (16,911,344)	$ 6,345,377	$ 19,689,739

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Other Financing Sources (Uses) and Net Change in Fund Balances, Governmental Funds
2017 – 2026

	Fiscal Year						
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
$	(6,369,532)	$ (14,506,209)	$ (33,466,870)	$ (24,022,380)	$ (27,520,247)	$ (25,871,351)	$ (50,904,032)
	7,350,000	-	50,175,000	28,870,000	73,225,000	-	-
	-	22,525,000	28,305,000	-	-	-	-
	1,682,204	-	9,504,498	3,197,774	7,024,289	-	-
	-	(22,324,194)	(28,073,079)	-	-	-	-
	-	6,258	30,800	-	9,467	-	-
	256,873	1,172,518	400,589	928,622	363,088	354,770	477,068
	(256,873)	(1,172,518)	(400,589)	(928,622)	(363,088)	(354,770)	(477,068)
	-	-	-	-	-	-	-
	9,032,204	207,064	59,942,219	32,067,774	80,258,756	-	-
$	2,662,672	$ (14,299,145)	$ 26,475,349	$ 8,045,394	$ 52,738,509	$ (25,871,351)	$ (50,904,032)

REVENUE AND DEBT CAPACITY

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Taxable Value and Actual Value of Taxable Property
Fiscal Years 2016-2017 through 2025-2026
(rate per $1,000 of assessed value)

Tax Year	Fiscal Year	Estimated Market Value	State Equalized Value
2016	2016-17	$ 4,641,421,800	$ 2,320,710,900
2017	2017-18	4,983,998,200	2,491,999,100
2018	2018-19	5,219,855,000	2,609,927,500
2019	2019-20	5,682,440,000	2,841,220,000
2020	2020-21	6,222,145,000	3,111,072,500
2021	2021-22	6,580,036,600	3,290,018,300
2022	2022-23	7,095,097,700	3,547,548,850
2023	2023-24	8,038,957,200	4,019,478,600
2024	2024-25	9,219,276,200	4,609,638,100
2025	2025-26	10,156,360,600	5,078,180,300

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Taxable Value and Actual Value of Taxable Property
Fiscal Years 2016-2017 through 2025-2026
(rate per $1,000 of assessed value)

Taxable Value			District Tax Rates			
Non-Homestead Property	Homestead Property	Total	Operating	Debt	Other	Total
$ 702,973,350	$ 1,230,060,395	$ 1,933,033,745	18.0000	7.7500	0.2979	26.0479
724,091,342	1,284,131,644	2,008,222,986	18.0000	7.7500	0.2975	26.0475
744,396,433	1,361,603,774	2,106,000,207	18.0000	7.7500	0.2936	26.0436
776,497,316	1,450,957,812	2,227,455,128	18.0000	7.7500	0.2909	26.0409
811,661,218	1,539,506,922	2,351,168,140	18.0000	7.7500	0.3000	26.0500
846,518,734	1,609,548,355	2,456,067,089	18.0000	7.7500	0.2968	26.0468
914,477,379	1,723,705,174	2,638,182,553	18.0000	7.7500	0.2934	26.0434
1,001,161,190	1,886,019,575	2,887,180,765	18.0000	7.7500	0.2934	26.0434
1,091,432,673	2,059,493,911	3,150,926,584	18.0000	7.5000	0.2896	25.7896
1,180,873,692	2,195,655,429	3,376,529,121	18.0000	7.5000	-	25.5000

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Direct and Overlapping Property Tax Rates
Fiscal Years 2016-2017 through 2025-2026
(rate per $1,000 of assessed value)

		District Tax Rates			
Tax Year	**Fiscal Year**	**Operating**	**Debt**	**Other**	**Total**
2016	2016-17	18.0000	7.7500	0.2979	26.0479
2017	2017-18	18.0000	7.7500	0.2957	26.0457
2018	2018-19	18.0000	7.7500	0.2936	26.0436
2019	2019-20	18.0000	7.7500	0.2909	26.0409
2020	2020-21	18.0000	7.7500	0.3000	26.0500
2021	2021-22	18.0000	7.7500	0.2968	26.0468
2022	2022-23	18.0000	7.7500	0.2934	26.0434
2023	2023-24	18.0000	7.7500	0.2934	26.0434
2024	2024-25	18.0000	7.5000	0.2896	25.7896
2025	2025-26	18.0000	7.5000	-	25.5000

Source: Ottawa County Equalization Department and District records.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Direct and Overlapping Property Tax Rates
Fiscal Years 2016-2017 through 2025-2026
(rate per $1,000 of assessed value)

Overlapping Rates			
Port Sheldon Township	**Holland Township**	**Park Township**	**Olive Township**
1.4488	6.1000	4.3063	4.9603
1.4488	4.8600	3.0252	4.9603
1.4488	4.8600	3.0171	4.9366
1.4488	4.8600	2.9180	4.4352
2.1997	4.8600	2.7612	4.4754
2.1997	4.8600	2.7508	4.4466
2.1997	4.8600	2.7244	2.4889
2.1997	4.8600	3.3486	2.4889
2.2500	4.8600	3.3392	2.5080
2.3500	4.8600	3.4792	2.9882

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Principal Property Taxpayers,
Current Year and Nine Years Ago

Year Ended December 31,			2025		
Taxpayer	**Ad Valorem Taxable Value**	**Rank**	**Percentage of Total Taxable Value**	**Equivalent Industrial Facilities Tax (IFT)**	**IFT and Taxable Value**
Consumers Energy Co.	$ 23,520,466	1	0.81%	-	$ 23,520,466
Request Foods	11,829,177	2	0.41%	6,034,969	17,864,146
L Perrigo Company	6,772,179	3	0.23%	10,121,225	16,893,404
Continental 512 Fund LLC	16,422,300	4	0.57%	-	16,422,300
Grandquest Realty LLC	14,454,364	5	0.50%	-	14,454,364
Desert Leasing JFD LLC	14,207,076	6	0.49%	-	14,207,076
Holland Senior Partners LLC	13,157,415	7	0.46%	-	13,157,415
ORF VII Felch Street LLC	11,087,472	8	0.38%	-	11,087,472
Franklin Quincy	11,025,400	9	0.38%	-	11,025,400
Stellar Hospitality Holland LLC	10,478,916	10	0.36%	-	10,478,916
Perrigo Michigan Holland					
Hoover Universal, Inc					
Gentex Corporation					
Boar's Head Provisions					
Geenen DeKock Prop. LLC					
DRG Clearview LLC					
Occidental Development LTD					
Total principal taxpayers	132,954,765		4.61%	$ 16,156,194	$ 149,110,959
Balance of valuations	3,221,039,849		95.39%		
Total Ad Valorem Valuation	$ 3,353,994,614		100.00%		

*NOTE: District Annual Disclosure

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Principal Property Taxpayers,
Current Year and Nine Years Ago

	2016				
	Taxable Value	Rank	Percentage of Total Taxable Value	Equivalent Industrial Facilities Tax (IFT)	IFT and Taxable Value
$	11,067,297	4	0.59%	$ -	$ 11,067,297
	18,003,867	1	0.96%	3,104,800	21,108,667
			0.00%	-	-
	9,131,892	6	0.49%	-	9,131,892
	4,319,396	2	0.23%	11,486,632	15,806,028
	415,800	3	0.02%	12,561,376	12,977,176
	2,679,628	5	0.14%	7,566,412	10,246,040
	4,507,800	7	0.24%	4,056,001	8,563,801
	7,071,505	8	0.38%	-	7,071,505
	7,060,094	9	0.38%	-	7,060,094
	5,418,103	10	0.29%	-	5,418,103
	69,675,382		3.71%	$ 38,775,221	$ 108,450,603
	1,861,314,709		96.29%		
$	1,930,990,091		100.00%		

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Property Tax Levies and Collections
Fiscal Years 2016-2017 through 2025-2026

			Collected within the Fiscal Year of the Levy			Total Collections to Date	
Tax Year	Fiscal Year	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections (Refunds) in Subsequent Years	Amount	Percentage of Levy
2016	2016-17	$ 11,332,456	$ 11,166,909	98.54%	$ 162,859	$ 11,329,768	99.98%
2017	2017-18	11,757,154	11,615,898	98.80%	135,089	11,750,987	99.95%
2018	2018-19	12,200,733	12,136,018	99.47%	59,075	12,195,093	99.95%
2019	2019-20	12,843,336	12,822,203	99.84%	19,445	12,841,648	99.99%
2020	2020-21	13,486,197	12,957,159	96.08%	512,256	13,469,415	99.88%
2021	2021-22	14,314,536	14,038,932	98.07%	275,604	14,314,536	100.00%
2022	2022-23	15,401,265	15,226,820	98.87%	172,833	15,399,653	99.99%
2023	2023-24	17,024,269	16,814,823	98.77%	95,953	16,910,776	99.33%
2024	2024-25	18,550,562	18,254,811	98.41%	289,246	18,544,057	99.96%
2025	2025-26	20,099,167	19,755,207	98.29%	343,960	20,099,167	100.00%

*NOTE: District Annual Disclosure

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Outstanding Debt by Type
Fiscal Years 2016-2017 through 2025-2026

Tax Year	Fiscal Year	General Obligation Bonds	Total Taxable Value	Outstanding Debt as a % of Taxable Value	Estimated Population [1]	Net Outstanding Debt Per Capita	Taxable Value Per Capita
2016	2016-17	$ 97,097,123	$ 1,933,033,745	5.02%	51,821	$ 1,874	$ 37,302
2017	2017-18	103,495,373	2,008,222,986	5.15%	52,569	1,969	38,202
2018	2018-19	118,081,416	2,106,000,207	5.61%	53,224	2,219	39,569
2019	2019-20	118,150,000	2,227,455,128	5.30%	54,820	2,155	40,632
2020	2020-21	104,205,000	2,351,168,140	4.43%	56,465	1,845	41,639
2021	2021-22	140,760,000	2,456,067,089	5.73%	58,159	2,420	42,230
2022	2022-23	173,873,757	2,638,182,553	6.59%	59,904	2,903	44,040
2023	2023-24	233,499,257	2,887,180,765	8.09%	61,701	3,784	46,793
2024	2024-25	215,425,526	3,150,926,584	6.84%	63,552	3,390	49,580
2025	2025-26	196,551,795	3,376,529,121	5.82%	65,458	3,003	51,583

[1] Estimated based on an extrapolation of the U.S. Census figures of the local units within the School District.
Source: Ottawa County Equalization Department and District records.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Ratio of Outstanding Debt
Fiscal Years 2016-2017 through 2025-2026

Tax Year	Fiscal Year	General Obligation Bonds	Less Pledged Debt Retirement Fund Balance	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 [1]	Net General Bonded Debt per Capita
2016	2016-17	$ 97,097,123		$ 97,097,123	$ 2,320,710,900	4.18%	8.37%	51,821	$ 1,874
2017	2017-18	103,495,373		103,495,373	2,491,999,100	4.15%	8.31%	52,569	1,969
2018	2018-19	118,081,416		118,081,416	2,609,927,500	4.52%	9.05%	53,224	2,219
2019	2019-20	118,150,000		118,150,000	2,841,220,000	4.16%	8.32%	54,820	2,155
2020	2020-21	104,205,000		104,205,000	3,111,072,500	3.35%	6.70%	56,465	1,845
2021	2021-22	140,760,000		140,760,000	3,290,018,300	4.28%	8.56%	58,159	2,420
2022	2022-23	173,873,757		173,873,757	3,547,548,850	4.90%	9.80%	59,904	2,903
2023	2023-24	233,499,257		233,499,257	4,019,478,600	5.81%	11.62%	61,701	3,784
2024	2024-25	215,425,526		215,425,526	4,609,638,100	4.67%	9.35%	63,552	3,390
2025	2025-26	196,551,795		196,551,795	5,078,180,300	3.87%	7.74%	65,458	3,003

[1] Estimated based on an extrapolation of the U.S. Census figures of the local units within the School District.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Direct and Overlapping Governmental Activities Debt
as of June 30, 2026

Year Ended June 30, 2026

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Holland Township	$ 12,710,564	72.50%	$ 9,215,159
Olive Township	108,733	41.95%	45,613
Park Township	1,880,274	87.63%	1,647,684
Port Sheldon Township	-	0.00%	-
Ottawa County	40,466,554	19.09%	7,725,065
Ottawa County ISD	22,975,000	16.80%	3,859,800
Subtotal, overlapping debt			22,493,321
District Direct Debt			196,551,795
Total Direct and Overlapping Debt			$ 219,045,116

*NOTE: Municipal Advisory Council of Michigan - estimated percentage based on total taxable valuation for each municipality.
Source: Ottawa County Equalization Department and District records.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Legal Debt Margin Information
Fiscal Years 2016-2017 through 2025-2026

Legal Debt Margin Calculation for Fiscal Year 2025-26:

State Equalized Valuation (SEV), July 1, 2025	$	5,078,180,300
Statutory Debt Limit (15% of SEV)		761,727,045
Debt applicable to limit		**196,551,795**
Legal Debt Margin	$	565,175,250

Tax Year	Fiscal Year	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
2016	2016-17	$ 2,320,710,900	$ 348,106,635	$ 97,097,123	$ 251,009,512	27.89%
2017	2017-18	2,491,999,100	373,799,865	103,495,373	270,304,492	27.69%
2018	2018-19	2,609,927,500	391,489,125	118,081,416	273,407,709	30.16%
2019	2019-20	2,841,220,000	426,183,000	118,150,000	308,033,000	27.72%
2020	2020-21	3,111,072,500	466,660,875	104,205,000	362,455,875	22.33%
2021	2021-22	3,290,018,300	493,502,745	140,760,000	352,742,745	28.52%
2022	2022-23	3,547,548,850	532,132,328	173,873,757	358,258,571	32.67%
2023	2023-24	4,019,478,600	602,921,790	233,499,257	369,422,533	38.73%
2024	2024-25	4,609,638,100	691,445,715	215,425,526	476,020,189	31.16%
2025	2025-26	5,078,180,300	761,727,045	196,551,795	565,175,250	25.80%

DEMOGRAPHIC AND ECONOMIC INFORMATION

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic and Economic Information
Demographic and Economic Statistics
Fiscal Years 2016-2017 through 2025-2026

			Unemployment [1]				Personal Income [3]	
Tax Year	Fiscal Year	Estimated Population	City of Holland and Grand Haven	County of Ottawa	State of Michigan	Inflation Rate [2]	Total (in thousands)	Per Capita
2016*	2016-17	51,821	N/A	3.1%	3.8%	1.3%	$ 12,428,750	$ 44,035
2017*	2017-18	52,569	N/A	3.1%	4.5%	2.3%	13,252,243	46,275
2018*	2018-19	53,224	N/A	3.2%	4.2%	1.8%	14,355,612	49,418
2019*	2019-20	54,820	N/A	11.0%	14.8%	0.6%	14,400,384	49,484
2020*	2020-21	56,465	N/A	4.3%	5.0%	5.4%	15,544,530	52,759
2021*	2021-22	58,159	N/A	3.6%	4.3%	9.1%	16,775,381	56,076
2022*	2022-23	59,904	N/A	3.5%	3.6%	3.0%	18,358,772	57,038
2023*	2023-24	61,701	N/A	3.8%	4.1%	3.0%	19,192,878	63,265
2024*	2024-25	63,552	N/A	5.1%	5.3%	2.7%	N/A	N/A
2025	2025-26	65,458	N/A	4.1%	5.0%	3.5%	N/A	N/A

*NOTE: City of Holland and Grand Haven unemployment data collection was discontinued by U.S. Bureau of Labor Statistics

[1] Federal Reserve Economic Data
[2] U.S. Department of Labor - Bureau of Labor Statistics
[3] U.S. Department of Commerce, Bureau of Economic Analysis and Grand Haven/ Holland Area. Total Personal Income reported in thousands.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic and Economic Information
Principal Employers in West Michigan
Current Year and Nine Years Ago

Year Ended December 31,

		2025		2016	
Employer	**Type of Business**	**Rank**	**Percentage of Total Employment**	**Rank**	**Percentage of Total Employment**
Consumers Energy	Energy	1	2.44%	1	5.84%
Michigan Electric Transmission	Energy	2	0.35%	5	0.33%
Gentex	Automotive Mirrors	3	0.26%	2	0.77%
Shape Corp	Metal Roll Forming	4	0.25%	3	0.46%
ARC Holland Real Estate Holdings	Real Estate	5	0.22%	6	0.32%
DTE Gas Company	Energy	6	0.22%	7	0.21%
BrightMark Castor Ring LLC	Retailer	7	0.17%		
Herman Miller Inc.	Office Furniture	8	0.13%	9	0.18%
Leprino Foods Inc.	Food Processing	9	0.11%		
Semco Energy Inc.	Energy	10	0.11%	8	0.19%
Mead Johnson & Company	Office Furniture			4	0.33%
Request Foods Inc.	Food Processing			10	0.17%
			4.26%		8.80%

[1] 2016 data includes totals of facilities located within Ottawa County and/or the City of Holland portion of Allegan County, reporting was updated in 2020 to only include the Ottawa County portions of these facilities
[2] Total of all facilities (Ottawa, Kent & Muskegon Counties)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic and Economic Information
Full-Time-Equivalent District Employees by Type
Fiscal Years 2016-2017 through 2025-2026

	Full-Time - Equivalent Employees as of June 30,									
Employee Category	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Administrators	27	31	33	33	41	41	49	53	57	58
Teachers	425	414	411	399	454	476	448	465	489	473
Clerical/Secretarial	35	26	25	31	25	37	40	33	41	37
Food Service	61	58	57	47	57	51	54	58	61	73
Educational Assistants/Clerks	68	73	75	76	75	88	111	137	132	147
Maintenance/Grounds/Custodia	22	17	11	12	11	12	13	11	11	14
Bus Drivers/Mechanics	66	60	63	49	54	47	38	43	38	56
Data/Technology Services	4	3	3	3	3	3	9	8	6	8
Security/Other	8	5	5	5	5	6	10	8	7	9
Total	**716**	**687**	**683**	**655**	**725**	**761**	**772**	**816**	**842**	**875**

*NOTE: District Annual Disclosure

OPERATIONAL INFORMATION

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Operational Information
Operating Statistics
Fiscal Years 2016-2017 through 2025-2026

Fiscal Year	Enrollment [1]	Percent Change	Operating Expenditures [2]	Percent Change	Cost Per Pupil	Percent Change	Percent of Students Receiving Free or Reduced-Price Meals [3]
2016-17	6,848	-1.67%	$ 69,233,476	-0.30%	$10,110	1.39%	52.86%
2017-18	6,810	-0.56%	71,234,886	2.89%	10,460	3.47%	56.67%
2018-19	6,739	-1.04%	74,643,582	4.79%	11,076	5.89%	54.95%
2019-20	6,682	-0.85%	75,294,197	0.87%	11,268	1.74%	52.45%
2020-21	6,632	-0.75%	77,386,603	2.78%	11,669	3.56%	50.81%
2021-22	6,541	-1.37%	85,005,409	9.85%	12,996	11.37%	54.80%
2022-23	6,604	0.96%	91,974,340	8.20%	13,927	7.17%	55.23%
2023-24	6,719	1.74%	98,181,529	6.75%	14,613	4.93%	53.47%
2024-25	6,737	0.28%	107,515,852	9.51%	15,959	9.21%	56.81%
2025-26	6,721	-0.24%	113,227,928	5.31%	16,848	5.57%	54.68%

[1] Blended count on State Aid Status Reports.
[2] Audited Financial Statements.
[3] State of Michigan Center for Educational Performance and Information (CEPI).

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Operational Information
School Building Information
June 30, 2026

Year Ended June 30, 2026

Site	Grade Configuration	Acreage	Date Originally Constructed	Additions	Square Feet
Glerum Transportation Center	N/A	17.14	1953*	1992	10,327
Great Lakes Elementary	K-5	177.90	1998	2022	69,968
Lakeshore Elementary	K-5	25.25	1993		68,500
Lakewood Elementary	K-5	12.21	1916*	1962,1983,1988,1992	61,770
Los Lagos Elementary	K-5	15.30	1965	1992,1997,2019	37,490
Pine Creek Elementary	K-5	156.51	1989	2021	71,006
Riley Farms Elementary	K-5	39.93	2025		78,613
Sheldon Woods Elementary	K-5	21.23	1965	1992,2004,2021,2025	39,519
Woodside Elementary	K-5	10.39	1965	1986,1992	72,776
Waukazoo Elementary	K-5	17.86	1917,1937*	1956,1988,1991,2017,2023	68,530
Harbor Lights Middle	6-8	156.51	1961	1977,1988,1990,1997,2021	250,000
Macatawa Bay Middle	6-8	156.51	1972	1992,1993,1997, 2017	211,922
North High School	9-12	177.90	2005		335,000
South High School	9-12	177.90	1999		244,690
South High School Pole Barn	N/A	N/A	1997		5,050
Administration Building	N/A	N/A	2000		12,428
New Transportation	N/A	N/A	2019		11,011
Maintenance Garage	N/A	N/A	1971*	1976,1981,1982,1985	7,411
New PAC	N/A	N/A	2024		42,000

*NOTE: Demolished

Maner Costerisan

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

To the Board of Education
West Ottawa Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Ottawa Public Schools, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise West Ottawa Public Schools' basic financial statements, and have issued our report thereon dated October 23, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

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Lansing, Michigan
October 23, 2026

WEST OTTAWA PUBLIC SCHOOLS

Preparing students to be College, Career, and Life Ready!

Mission Statement

West Ottawa Public Schools,
a caring community,
challenging and inspiring
students to learn and
succeed in a diverse world.

Belief Statement

As the heart of our community,
West Ottawa Public Schools...

- Delivers quality and challenging programs
- Motivates students to succeed
- Honors diversity
- Inspires change
- Ensures a safe and secure environment

Board Goals

- Increase student achievement for all students as measured by the accountability scorecard
- Develop and implement a strategic and integrated communications plan
- Efficient and effective use of district resources
  - Beating the county per pupil average in all major non-instructional expense areas
  - Maintaining a fund balance of 15% of the annual expense in the General and Food Service Funds