BYRON CENTER PUBLIC SCHOOLS

Kent County, Michigan

Annual Financial Report

For the year ended June 30, 2026

HUNGERFORD

CPAs • ADVISORS • TECHNOLOGY • WEALTH

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

October 9, 2026

The Board of Education
Byron Center Public Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Byron Center Public Schools as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Byron Center 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 Byron Center Public Schools, as of June 30, 2026, and the respective changes in financial position, 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 Byron Center 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 Byron Center 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 Byron Center 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 Byron Center 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 listed 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 Byron Center Public Schools' basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2026, on our consideration of Byron Center 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 Byron Center 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 Byron Center Public Schools' internal control over financial reporting and compliance.

Hungerford

Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Byron Center Public Schools ("the District"), we provide readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2026. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of four parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District:

- The first two statements, the Statement of Net Position and the Statement of Activities, are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
  - *Governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
  - *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The Basic Financial Statements also include Notes to Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data; Required Supplementary Information includes a budgetary comparison schedule and pension and OPEB information schedules; Other Supplementary Information follows and includes combining and individual fund statements and schedules.

District-wide Statements

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

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

Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the District's overall health, one should consider additional non-financial factors such as changes in the District's property tax-base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are presented as follows:

- *Governmental activities*: The District's basic services are included here, such as regular and special education, instructional support, transportation, administration, community services, food service, and athletics. State aid and property taxes finance most of these activities.

New Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) issued Statement No. 103, Financial Reporting Model Improvements. The requirements of this statement enhance certain aspects of the existing financial reporting model, including management's discussion and analysis, unusual or infrequent items, and budgetary comparison information. The District implemented this statement for the fiscal year ended June 30, 2026.

Financial Summary

The Statement of Net Position provides financial information on the District as a whole.

	2026	2025	Dollar Change	Percent Change
Assets				
Current assets	$ 98,572,829	$ 47,725,108	$ 50,847,721	106.5%
Net capital assets	176,159,586	183,751,575	(7,591,989)	-4.1%
Net OPEB asset	15,728,037	11,760,947	3,967,090	33.7%
Total Assets	**290,460,452**	**243,237,630**	**47,222,822**	19.4%
Deferred Outflows of Resources	**23,344,972**	**26,051,028**	**(2,706,056)**	-10.4%
Liabilities				
Current liabilities	20,048,182	18,576,765	1,471,417	7.9%
Long-term liabilities	217,811,989	176,570,098	41,241,891	23.4%
Net pension liability	57,243,833	65,553,276	(8,309,443)	-12.7%
Total Liabilities	**295,104,004**	**260,700,139**	**34,403,865**	13.2%
Deferred Inflows of Resources	**30,569,047**	**33,165,742**	**(2,596,695)**	-7.8%
Net Position				
Net investment in capital assets	7,347,710	10,301,113	(2,953,403)	-28.7%
Restricted	13,420,420	10,581,885	2,838,535	-6.2%
Unrestricted (deficit)	(32,635,757)	(45,460,221)	12,824,464	-52.2%
Total Net Position	**$ (11,867,627)**	**$ (24,577,223)**	**$ 12,709,596**	-51.7%

The results of the fiscal year's operations for the District as a whole are presented in the Statement of Activities, which shows the change in total net position for the year:

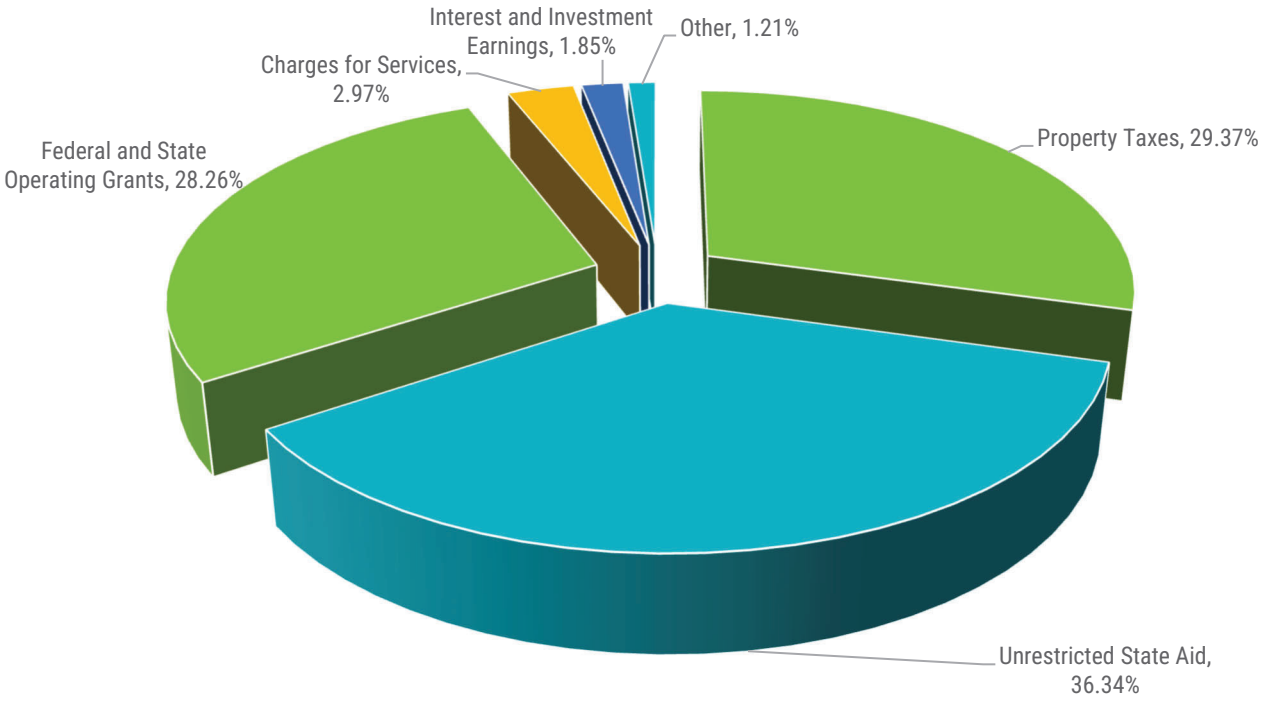
	2026	2025	Dollar Change	Percent Change
Program Revenues				
Charges for services	$ 2,816,688	$ 3,471,237	$ (654,549)	-18.86%
Operating grants	26,811,394	24,279,044	2,532,350	10.43%
General Revenues				
Property taxes	27,858,439	25,398,037	2,460,402	9.69%
State school aid, unrestricted	34,469,691	33,692,771	776,920	2.31%
Interest and investment earnings	1,759,486	1,397,024	362,462	25.95%
Other	1,143,431	1,459,215	(315,784)	-21.64%
Total Revenues	94,859,129	89,697,328	5,161,801	5.75%
Expenses				
Instruction	45,991,334	49,663,643	(3,672,309)	-7.39%
Supporting services	23,479,312	21,988,336	1,490,976	6.78%
Community services	2,329,738	2,870,038	(540,300)	-18.83%
Food service	3,593,669	3,582,401	11,268	0.31%
Interest on long-term debt	6,707,480	6,389,448	318,032	4.98%
Other	48,000	57,600	(9,600)	-16.67%
Total Expenses	82,149,533	84,551,466	(2,401,933)	-2.84%
Change in Net Position	12,709,596	5,145,862	7,563,734	146.99%
Net Position, Beginning of Year	(24,577,223)	(29,723,085)	5,145,862	-17.31%
Net Position, End of Year	**$ (11,867,627)**	**$ (24,577,223)**	**$ 12,709,596**	-51.71%

Detailed Analysis District-Wide

Total revenues exceeded expenses by $12.71 million on the Statement of Activities, increasing total net position from a deficit of $24,577,223 at June 30, 2025 to a deficit of $11,867,627 at June 30, 2026. Unrestricted net position increased by $12,824,464 to a deficit of $32,635,757 at June 30, 2026. The District's net pension liability, including deferred outflows and inflows of resources, decreased by $7,038,098 during the fiscal year, and its net OPEB asset, including deferred outflows and inflows of resources, increased by $5,158,984.

The District's financial position is the product of various financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation and amortization of capital assets. A large portion of the District's net position reflects investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress); less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, they are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

District-Wide Revenues by Type



The District's total revenues increased by 5.8% to $94.86 million for the year ended June 30, 2026. General revenues are primarily derived from state school aid and local property taxes (65.7% of total), both of which are influenced by economic conditions, legislative actions, and student enrollment trends. State school aid, which represents the District's largest source of unrestricted revenue, is dependent upon annual appropriations by the state and funding formulas that consider pupil membership and other factors established by state law. Changes in enrollment or state funding levels may have a significant impact on the District's annual operating revenues. Unrestricted state school aid increased by 2.3% during the year ended June 30, 2026, which resulted primarily from the $442 increase to the per pupil foundation allowance. The higher foundation allowance was partially offset by lower enrollment (0.4% decrease) and increased local operating property tax collections, which leads to a reduction in the state-funded portion of the foundation allowance and ultimately lowers enrollment stabilization funding.

Property tax revenues are influenced by economic conditions, legislative actions, and other factors such as voter-approved millage rates and assessed taxable values within the District's boundaries. Fluctuations in property values and tax collections may result in increases or decreases in revenues available to support District operations and debt service requirements. Property tax revenue increased by 9.7% during the year ended June 30, 2026; attributed to rising taxable values within the District's boundaries offset by a small decrease (0.0075 mills) in taxes levied for building and site sinking purposes.

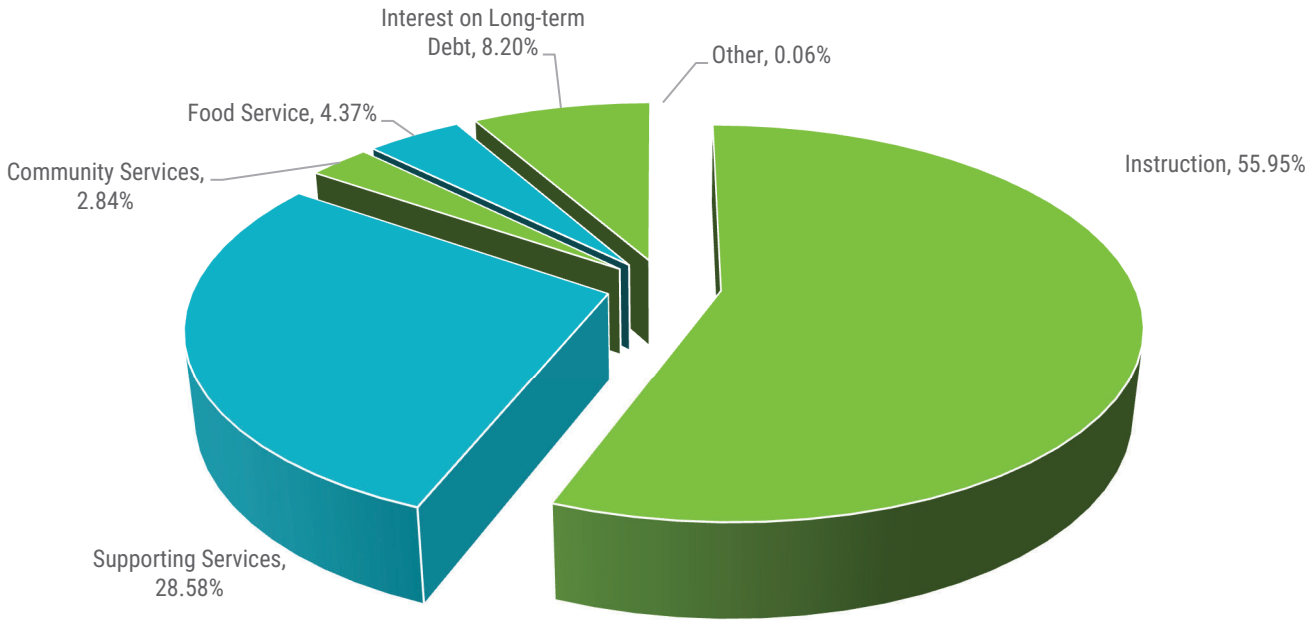
The District also receives operating grants consisting of federal and state grant funding to support specific educational programs and other initiatives. Grant revenues are generally restricted for designated purposes and may vary from year-to-year based on the availability of funding, eligibility requirements, and the timing of program expenditures. As a result, changes in grant activity can contribute to fluctuations in total revenues reported by the District. Operating grant revenues increased by 10.4% during the year ended June 30, 2026. The increase was caused primarily due to the addition of the Great Start Readiness Program (GSRP), which brings four-year-old preschool to our District, tuition free, through funding from the State of Michigan.

Other significant changes in district-wide revenue include:

- Interest and investment earnings increased by $362,462 (26.0%), attributed to overall market conditions during the year and an increase in invested assets due to the issuance of the 2026 Building and Site bond ($46.32 million).

- Charges for services decreased by $654,549 (18.6%). The change in services, which include tuition-based preschool, was reduced with the expansion of GSRP. The reduction in service revenue was replaced by the grant funding received for the program.

District-Wide Expenses by Function



The total cost of all programs and services decreased by 2.8% to $82.15 million for the year ended June 30, 2026. The District's expenses are predominantly related to instruction (56.0%) and supporting services (28.6%), which include various functions such as caring for (pupil services) and transporting students, administrative services, and operating and maintenance services. Other District expenses relate to food service, community services, and interest on long-term debt.

Functional expenses (instruction, supporting services, food service, community services) reported in the district-wide financial statements include adjustments related to GASB Statement No. 34 that are not reflected in the governmental fund statements. These adjustments consist primarily of additions to capital assets and expenses for pension and other post-employment benefits (OPEB), which are allocated to the District's various functions. Accordingly, year-over-year changes in functional expenses may reflect both operational changes and fluctuations in these allocated accounting adjustments. In particular, changes in deferred inflows and outflows of resources and the District's proportionate share of net pension liabilities and OPEB assets may have a significant impact on reported net position and annual operating results reflected in the district-wide financial statements.

The significant change in instruction and supporting services expenses reported between 2025 and 2026 is attributed to adjustments required for GASB Statement No. 34, some of which relate to significant capital asset activity during the year and ongoing construction as of June 30, 2026. However, changes in expenditure levels reported in the governmental fund financial statements, and more specifically the major funds of the District, also contribute directly to changes reflected in the district-wide statements. For consideration of the impact of year over year changes reported in the District's General Fund and the 2026 Construction Capital Projects Fund, including those related to costs of instruction and supporting services, see commentary in the *Detailed Analysis – Major Funds* section that follows.

Other significant changes in district-wide expenses include:

- Expenses for community services decreased by $540,300 (18.8%), attributed to the transition with GSRP moving from tuition-based in the Community Service Fund, to grant funded in the General Fund. The expenses moved with the revenue.

Remaining expenses reported in the district-wide financial statements stayed relatively stable compared to the prior year. No significant changes in service levels or operating activities occurred during the year that materially impacted these functions.

Detailed Analysis – Major Funds

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

The District utilizes two kinds of funds:

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

- *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others, such as Private Purpose Scholarship Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

The District reports two major funds individually in the governmental fund financial statements. Those funds include the General Fund and the 2026 Construction Capital Projects Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the District's current financial health are more apparent in the fund financial statements than in the government-wide financial statements. The significant changes are shown in the table and discussed in more detail below.

	General Fund		2026 Construction	
	2026	2025	2026	2025
Revenues				
Local sources	$ 11,567,096	$ 10,584,255	$ 495,978	$ -
State sources	50,229,301	47,881,148	-	-
Federal sources	1,586,500	1,337,756	-	-
Interdistrict sources	5,885,092	5,405,807	-	-
Total Revenues	69,267,989	65,208,966	495,978	-
Expenditures				
Instruction	42,975,204	39,290,423	-	-
Supporting services	24,091,895	23,760,770	-	-
Community services	232,619	284,109	-	-
Capital outlay	-	-	1,685,126	-
Debt service	81,080	37,859	297,484	-
Intergovernmental	48,000	57,600	-	-
Total Expenditures	67,428,798	63,430,761	1,982,610	-

General Fund

The General Fund is the District's primary operating fund and accounts for much of the financial activity reported as governmental activities in the district-wide financial statements. Consequently, trends in the district-wide financial statements generally mirror the results of operations reported in the General Fund, with local property taxes, state school aid, and other operating grants serving as the District's most significant revenue sources. Differences between changes in General Fund balance and changes in net position are primarily attributable to accrual-based adjustments for capital assets, long-term debt, pension and OPEB liabilities (assets), and other long-term obligations reported in the district-wide financial statements.

Significant changes noted for the year ended June 30, 2026 were as follows:

- Local sources increased by $982,841 (9.3%), attributed to the growth in taxable values of non-homestead properties in the District, which increased by over 9% from the prior year and led to additional local property tax revenue reported in the fund.

- State revenues increased by $2.35 million (4.9%), a direct result of the $442 per pupil increase to the State's foundation allowance, and attributed to other factors, including the Great Start Readiness Program.

- Federal sources increased by $248,744 (18.6%), the result of additional funding received in the Title I program.

- Instructional expenditures increased by $3.68 million (9.4%), attributed primarily to increases in wages and benefits.

Because GASB Statement No. 103 requires explanations of significant budgetary variances as required supplementary information, some factors affecting changes in General Fund revenues and expenditures may also be discussed outside the MD&A, reducing duplication while still providing users with relevant analysis. Users of this report should also consider the Budgetary Comparison Schedule (page 65) and the related Notes to the Budgetary Comparison Schedule (page 67), which provide additional discussion of significant budget-to-actual variances that may help explain changes in General Fund operating results and fund balance from the prior year.

2026 Building and Site Capital Projects Fund

The 2026 Construction Capital Projects Fund of the District accounts for bond proceeds used for voter-approved capital improvement projects. Fluctuations in expenditures and local source (interest) revenue is expected in a bonded-capital projects fund, driven by levels of construction activity and declining cash and investment balances as projects progress to completion.

The major fund determination for the 2026 Construction fund is driven by the recognition of bond proceeds ($46.32 million, with a $3,846,168 bond premium) during the fiscal year. Some capital outlay expenditures were incurred as the preliminary phase of construction began in the spring of 2026, and significant increases in capital outlay and investment earnings are expected during 2026-27.

Fiduciary Funds

Custodial Fund

The Scholarship Funds are operated as a Fiduciary Fund of the District. The assets of these funds are being held for the benefit of the District's students. The Scholarship Fund balance at June 30, 2026 and 2025 was $13,703 and $13,707, respectively.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

At the end of fiscal year 2025-26, the District had a $275.6 million investment in a broad range of capital assets including land, school buildings, athletic facilities, administrative offices, furniture and equipment, right to use assets, and transportation and other vehicles.

At June 30, 2026, the District's net investment in capital assets (after accumulated depreciation and amortization) was $176,159,586. Net capital asset additions and disposals totaled $4,296,150 and $5,781, respectively, and depreciation expense on assets in service during the year was $11,882,358. This led to an overall decrease in net capital assets of $7,591,989.

This change was expected based on timing of expenditures. The District is wrapping up smaller projects related to prior bonds and gradually ramping up projects related to the new 2026 bond.

More detailed information about capital assets can be found in Note E in the Notes to Basic Financial Statements.

Long-term Obligations

At year end, the District had $227.3 million in general obligation bonds and other long-term liabilities outstanding – a net increase of $41,113,856 from last year.

- During the current year, the District accrued interest of $87,622 on outstanding State School Loan Revolving Fund (SLRF) debt, and made payments to the fund in the amount of $8,814.
- On March 18, 2026, the District issued bonds in the amount of $46,320,000, with a bond premium of $3,846,168.
- The District continued to pay down its debt, retiring $9,333,274 of outstanding bonds and bond premium, and an additional $50,067 of subscription based IT arrangements.
- The District's bond rating for general obligations debt was affirmed by Standard and Poor's as AA with a stable outlook. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within a District's boundaries.
- The District's other obligations include employee compensated absences.

We present more detailed information about our long-term liabilities in Note F in the Notes to Basic Financial Statements.

Currently Known Facts, Decisions, or Conditions

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

- The District's student growth over the last 25 years has been beneficial for maintaining programs and staffing. Student count is a variable that is difficult to predict during challenging economic times. The District projected no change in student enrollment for Fiscal 2026 and experienced a minimal decrease. The District utilizes an outside firm (Stanfred & Assoc.) to analyze existing student count and project future student growth for budgeting purposes. Key factors such as housing supply, job market, road infrastructure, quality educational program offerings and results all impact the "Growth and Capacity" study and have resulted in steady enrollment increases.

- During 2025-26, the District received a net of $10,050 per student in State funds in the form of a foundation allowance and local operating taxes, an increase of $442 from the prior year. The deduction of $470 per pupil in the fiscal year 2009-10 remains permanently deducted from the State Aid Foundation Allowance. Prior to the "resetting" Byron Center Public Schools received $7,886 per student. The $2,614 per student increase over a sixteen-year period, which averages to 2.1% per year, is not keeping pace with managed costs within the District.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, 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, contact the Business Office, Byron Center Public Schools, 8542 Byron Center Avenue SW, Byron Center, Michigan 49315. Contact by e-mail: mhathaway@bcpsk12.net. Contact by phone: (616) 878-6100.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

BYRON CENTER PUBLIC SCHOOLS
June 30, 2026

	Governmental Activities
Assets	
Cash	$ 1,347
Cash equivalents and investments (Note B)	88,518,365
Accounts receivable	4,763
Due from other governmental units (Note C)	9,644,864
Inventory	49,960
Prepaid expenses	353,530
Capital assets not being depreciated (Note E)	8,854,307
Capital assets being depreciated and amortized, net (Note E)	167,305,279
Net OPEB asset (Note H)	15,728,037
Total Assets	290,460,452
Deferred Outflows of Resources	
Loss on advance bond refundings, net	155,430
Deferred pension amounts	20,330,097
Deferred OPEB amounts	2,859,445
Total Deferred Outflows of Resources	23,344,972
Liabilities	
Accounts payable	724,333
Due to other governmental units	2,851,683
Arbitrage rebate payable	377,901
Accrued interest payable	1,502,345
Salaries and benefits payable	2,713,745
Unearned revenue	2,345,253
Long-term liabilities (Note F):	
Due within one year	9,532,922
Due in more than one year	217,811,989
Net pension liability (Note G)	57,243,833
Total Liabilities	295,104,004
Deferred Inflows of Resources	
Deferred pension amounts	17,354,965
Deferred OPEB amounts	13,214,082
Total Deferred Inflows of Resources	30,569,047

Continued on next page.

STATEMENT OF NET POSITION (Continued)

BYRON CENTER PUBLIC SCHOOLS
June 30, 2026

Net Position	
Net investment in capital assets	$ 7,347,710
Restricted for:	
Capital projects	7,369,272
Community services	4,293,958
Food service	869,738
Student/school activity	887,452
Unrestricted (deficit)	(32,635,757)
Total Net Position	$ (11,867,627)

STATEMENT OF ACTIVITIES

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes In Net Position
Governmental Activities				
Instruction	$ 45,991,334	$ -	$ 19,528,528	$ (26,462,806)
Supporting services	23,479,312	270,172	3,702,674	(19,506,466)
Community services	2,329,738	2,185,341	228,998	84,601
Food service	3,593,669	361,175	3,281,748	49,254
Interest on long-term debt	6,707,480	-	69,446	(6,638,034)
Other	48,000	-	-	(48,000)
Total Governmental Activities	$ 82,149,533	$ 2,816,688	$ 26,811,394	(52,521,451)
General Revenues				
Taxes:				
Property taxes, levied for general operations				10,380,416
Property taxes, levied for debt service				15,355,044
Property taxes, levied for capital improvements				2,122,979
State school aid, unrestricted				34,469,691
Interest and bond earnings				1,759,486
Other				1,143,431
Total General Revenues				65,231,047
Change in Net Position				12,709,596
Net Position - Beginning of Year				(24,577,223)
Net Position - End of Year				$ (11,867,627)

BALANCE SHEET
GOVERNMENTAL FUNDS

BYRON CENTER PUBLIC SCHOOLS
June 30, 2026

	2026			
	General	Construction	Nonmajor	Total
Assets				
Cash	$ 700	$ -	$ 647	$ 1,347
Cash equivalents and investments (Note B)	18,730,706	48,877,737	20,909,922	88,518,365
Accounts receivable	-	-	4,763	4,763
Due from other funds (Note D)	88,710	-	150,641	239,351
Due from other governmental units (Note C)	9,637,366	-	7,498	9,644,864
Inventory	-	-	49,960	49,960
Prepaid expenditures	329,560	-	23,970	353,530
Total Assets	$ 28,787,042	$ 48,877,737	$ 21,147,401	$ 98,812,180
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 467,795	$ 198,201	$ 58,337	$ 724,333
Due to other funds (Note D)	94,931	-	144,420	239,351
Due to other governmental units	2,851,683	-	-	2,851,683
Arbitrage rebate payable	-	-	377,901	377,901
Salaries payable	2,713,745	-	-	2,713,745
Unearned revenue	2,263,382	-	81,871	2,345,253
Total Liabilities	8,391,536	198,201	662,529	9,252,266
Fund Balances (Note A)				
Nonspendable	329,560	-	73,930	403,490
Restricted	-	48,679,536	18,722,166	67,401,702
Committed	1,075,227	-	1,688,776	2,764,003
Assigned	129,648	-	-	129,648
Unassigned	18,861,071	-	-	18,861,071
Total Fund Balances	20,395,506	48,679,536	20,484,872	89,559,914
Total Liabilities and Fund Balances	$ 28,787,042	$ 48,877,737	$ 21,147,401	$ 98,812,180

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

BYRON CENTER PUBLIC SCHOOLS
June 30, 2026

Total governmental fund balances		$ 89,559,914
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is $275,568,655 and accumulated depreciation is $99,409,069.		176,159,586
Net bond refunding losses are not expensed but are amortized over the life of the new bond issue on the Statement of Activities.		155,430
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	$ (184,460,000)	
Bond premium, unamortized	(21,191,934)	
Subscription-based IT arrangements	(33,920)	
State school loan revolving fund (including accrued interest)	(18,453,807)	
Compensated absences	(3,205,250)	(227,344,911)
Accrued interest on general obligation bonds is not included as a liability in governmental funds.		(1,502,345)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(57,243,833)	
Deferred outflows of resources	20,330,097	
Deferred inflows of resources	(17,354,965)	(54,268,701)
Net OPEB asset and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB asset	15,728,037	
Deferred outflows of resources	2,859,445	
Deferred inflows of resources	(13,214,082)	5,373,400
Total net position - governmental activities		$ (11,867,627)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2026

	General	2026 Construction	Nonmajor	Total
Revenues				
Local sources	$ 11,567,096	495,978	$ 21,518,023	$ 33,581,097
Non-educational entity sources	-	-	207,410	207,410
State sources	50,229,301	-	2,170,451	52,399,752
Federal sources	1,586,500	-	1,202,331	2,788,831
Interdistrict sources	5,885,092	-	-	5,885,092
Total Revenues	69,267,989	495,978	25,098,215	94,862,182
Expenditures				
Instruction	42,975,204	-	-	42,975,204
Supporting services	24,091,895	-	784,744	24,876,639
Food service	-	-	3,675,963	3,675,963
Community services	232,619	-	2,016,408	2,249,027
Payments to other governmental and not-for-profit entities	48,000	-	-	48,000
Capital outlay	-	1,685,126	4,290,747	5,975,873
Debt service:				
Principal repayment	50,067	-	8,752,118	8,802,185
Interest and fiscal charges	3,989	297,484	6,450,720	6,752,193
Total Expenditures	67,401,774	1,982,610	25,970,700	95,355,084
Excess (Deficiency) of Revenues Over Expenditures	1,866,215	(1,486,632)	(872,485)	(492,902)
Other Financing Sources (Uses)				
Proceeds from school bond issuance	-	46,320,000	-	46,320,000
Bond premium	-	3,846,168		3,846,168
Transfers in	125,000	-	183,628	308,628
Transfers out	(183,628)	-	(125,000)	(308,628)
Other transactions	2,728	-	-	2,728
Total Other Financing Sources (Uses)	(55,900)	50,166,168	58,628	50,168,896
Net Change in Fund Balances	1,810,315	48,679,536	(813,857)	49,675,994
Fund Balances, Beginning of Year	18,585,191	-	21,298,729	39,883,920
Fund Balances, End of Year	$ 20,395,506	$ 48,679,536	$ 20,484,872	$ 89,559,914

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2026

Net change in fund balances - total governmental funds		$ 49,675,994
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and amortization expense exceeded capital outlay in the current period:		
Capital outlay	$ 4,296,150	
Depreciation and amortization expense	(11,882,358)	(7,586,208)
In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increased financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold/retired.		(5,781)
Proceeds from the sale of bonds (including bond premiums), or loans, are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position.		
Bond issuance	46,320,000	
Premium on bond issuance	3,846,168	(50,166,168)
Bond premiums are amortized over the life of the new bond issue on the Statement of Activities.		1,238,274
Losses on advanced bond refunding are amortized over the life of the new bond issue on the Statement of Activities.		(29,910)
Repayment of long-term liabilities is an expenditure in the governmental fund, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities:		
General obligation bonds	8,095,000	
State school loan revolving fund	8,814	
Subscription-based IT arrangements	50,067	8,153,881
Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid.		
General obligation bonds	(427,725)	
State school loan revolving fund	(87,622)	(515,347)

Continued on next page.

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (Cont.)

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2026

In the Statement of Net Position, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of finance resources used (essentially, the amounts actually paid). This year the amount of these benefits earned exceeded the amounts used/paid.	$ (252,221)
The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	7,038,098
The changes in net OPEB asset and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	5,158,984
Total changes in net assets - governmental activities	$ 12,709,596

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

BYRON CENTER PUBLIC SCHOOLS
June 30, 2026

	Private Purpose Trust Fund
Assets	
Cash equivalents (Note B)	$ 13,703
Liabilities	-
Net Position	
Restricted for:	
Individuals and organizations	$ 13,703

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2026

	Private Purpose Trust Fund
Additions	
Interest earnings	$ 286
Donations	310
Total Additions	596
Deductions	
Endowment activities - scholarships	600
Change in Net Position	(4)
Net Position, Beginning of Year	13,707
Net Position, End of Year	$ 13,703

NOTES TO BASIC FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Byron Center Public Schools (the "District") was organized under the School Code of the State of Michigan and services a population of approximately 4,534 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, preschool programs, athletic activities, special education, vocational education, community services, and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's significant accounting policies are described below.

1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

2. District-wide and Fund Financial Statements

District-wide Financial Statements - The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. The District does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The Statement of Net Position is reported on the full accrual, economic resources basis, which recognizes all long-term assets as well as all long-term debt and obligations. The District's net position is reported in three parts: investment in capital assets, net of related debt; restricted net position, and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, unrestricted state aid, interest earnings, and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund, and the 2026 Construction Capital Projects Fund are the District's major funds. Nonmajor funds are aggregated and presented in a single column.

Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities, and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the district-wide level. Reconciliations between the two sets of statements are provided separately.

Revenues are recognized when susceptible to accrual, i.e., 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 collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Revenues susceptible to accrual are property taxes, State aid, federal and interdistrict revenues and investment income. Other revenues are recognized when received. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of the qualifying expenditures.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. 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 grantor or provider have been met.

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenues from State sources are primarily governed by the School Aid Act and the School Code of Michigan. The state portion of the foundation is provided from the State's School Aid Fund and is recognized as revenues in accordance with State law and accounting principles generally accepted in the United States of America.

Governmental Funds

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use, and balances of a school district's expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Fund—The General Fund is the general operating fund of a school district. It is used to account for all financial resources, except those required to be accounted for in another fund. Included are all transactions related to the current operating budget.

Special Revenue Funds—Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

School Service Funds—School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. A school district maintains full control of these funds. The School Service Funds maintained by the District are the Food Service, Community Service, and the Student/School Activity Funds.

Debt Service Funds—Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt (bonds, notes, loans, leases, and school bond loan) principal, interest, and related costs.

Capital Projects Funds—Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished. The District currently maintains a 2020 Construction Fund, 2022 Technology and Buses Fund, Prevailing Wage Exemption (PWE) Fund, 2023 Construction Fund, 2026 Construction Fund, and a Building and Site Sinking Fund.

The Capital Projects Funds include capital project activities funded with bonds issued after March 29, 2017. For these capital projects, the District has complied with the applicable provisions of Section 1351a of the State of Michigan's School Code. For capital project activities funded with sinking fund millage, the District has complied with the applicable provisions of Section 1212 (I) of the Revised School Code and the State of Michigan Department of Treasury Numbered Letter 2023-1.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by a school district in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Trust Funds—Trust Fund net position and results of operations are not included in the district-wide financial statements. Trust funds are reported using the economic resources measurement focus.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

4. Budgets and Budgetary Accounting

State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act) requires that the General Fund of a school district be under budgetary control and that both budgeted and actual financial results do not incur a deficit. Byron Center Public Schools has also adopted budgets for its Special Revenue Funds. A school district's General Appropriations Resolution (the "budget") must be adopted before the beginning of each fiscal year. No violations (dollar deviations) from a district's budget may occur without a corresponding amendment to the budget. A school district has the ability to amend the budget provided that the amendment is prior to the occurrence of the deviation and prior to the fiscal year end. A school district may also permit the chief administrative or fiscal officer to execute transfers between line items, within defined dollar or percentage limits, without prior approval of the Board of Education. Expenditures may not legally exceed budgeted appropriations at the function level. All appropriations lapse at the end of the fiscal year.

Byron Center Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Starting in the spring, District administrative personnel and department heads work with the Superintendent and Chief Financial Officer to establish proposed operating budgets for the fiscal year commencing the following July 1.

- In June, preliminary operating budgets are submitted to the Board of Education. These budgets include proposed expenditures and the means of financing them.

- Prior to June 30, a public hearing is held to obtain taxpayer comments on the proposed budgets.

- After the budgets are finalized, the Board of Education adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.

- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).

- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the governmental funds. There were no substantial encumbrances outstanding at year end.

6. Investments

Investments are recorded at fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

7. Inventories/Prepaid Items

Inventories are valued at cost (first-in, first-out) and are accounted for using the consumption method. Inventories of the Food Service Fund consist of food, and other nonperishable supplies. Disbursements for inventory-type items are recorded as expenditures at the time of use for each fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

8. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the district-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed $10,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at fair value at the date of donation.

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

Land improvements, buildings and improvements, furniture and equipment, vehicles, and subscription-based IT arrangements are depreciated/amortized using the straight-line method over the shorter of the following estimated useful lives/noncancellable contract period:

Land improvements	10 - 20 years
Buildings and improvements	40 - 50 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 10 years
Subscription-based IT arrangements	2 - 5 years

9. Long-term Obligations

In the district-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. Bonds payable are reported at the total amount of bonds issued.

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 issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

10. Compensated Absences

Compensated absences for employees of the District consist of accumulated vacation and sick leave at June 30, 2026. In accordance with applicable standards, the District accrues a liability for compensated absences when it is more likely than not that the benefit will be realized by the employee, either through future use or payment upon separate from service. As of June 30, 2026, total compensated absences amounted to $3,205,250.

11. Retirement Plan

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions,* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, were implemented by the District during the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, the Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Cost sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans – pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (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. Plan investments are reported at fair value.

12. Postemployment Benefits Other Than Pensions

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented by the District during the fiscal year ended June 30, 2018. This Statement establishes standards for recognizing and measuring other postemployment benefits (OPEB) liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB plans, the Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about OPEB are also addressed. Distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet specific criteria. Cost-sharing employers are those whose employees are provided with defined benefit OPEB through cost-sharing multiple-employer OPEB plans—OPEB plans in which the OPEB obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides OPEB through the OPEB plan.

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (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. Plan investments are reported at fair value.

13. Deferred Outflows/Inflows of Resources

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 position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three such items that qualify for reporting in this category: the deferred charge on a previous year's bond refunding, the deferred outflows of resources relating to the recognition of net pension liability on the financial statements and the deferred outflows of resources relating to the recognition of net OPEB asset on the financial statements.

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 position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category: the deferred inflows of resources relating to the recognition of net pension liability on the financial statements and the deferred inflows of resources relating to the recognition of net OPEB asset on the financial statements.

14. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws, or regulations from other governments.

15. Fund Balances

The District has adopted Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The stated objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, detailed as follows:

- Nonspendable – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).

- Restricted – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

- Committed – resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts. Committed fund balance does not lapse at year end.

- Assigned – resources that are constrained by the government's *intent* to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes. Byron Center Public Schools' Board of Education has delegated authority to assign fund balances for a specific purpose to the CFO. Assigned fund balance does not lapse at year end.

- Unassigned – unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Byron Center Public Schools has established a policy for its use of unrestricted fund balance amounts, and the District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without unnecessary borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Education. It is recognized that it will not always be possible to avoid borrowing to provide cash flow.

The Board recognizes that good fiscal management comprises the foundational support of the entire District. To make that support as effective as possible, the Board intends to maintain a fund balance of 10% of the District General Fund annual operating expenditures.

16. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

17. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note B – Cash Equivalents and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.

- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.

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

- Securities issued or guaranteed by agencies or instrumentalities of the United States government.

- United States government or Federal agency obligation repurchase agreements.

- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.

- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.

- Investment pools, as authorized by the Surplus Funds Investment Pool Act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for the direct investment by a school district in Michigan.

Balances at June 30, 2026 related to cash equivalents and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Position:	
Governmental activities	$ 88,518,365
Statement of Fiduciary Net Position:	
Fiduciary activities	13,703
	$ 88,532,068

Cash Equivalents

Depositories actively used by the District during the year are detailed as follows:

1. United Bank
2. Salt Lake City Bank

Cash equivalents consist of bank interest-earning accounts. United Bank is utilized by all funds of the District. Salt Lake City Bank is used to pay referees in the District's athletics programs.

Balances at June 30, 2026 related to cash equivalents are detailed in the Basic Financial Statements as follows:

Cash equivalents	$ 20,788,635

Custodial Credit Risk Related to Bank Deposits
Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Protection of District deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents was $20,788,635 and the bank balance was $22,633,486. The District's deposits are fully protected by the Federal Deposit Insurance Corporation through the use of placing deposits at other financial institutions through IntraFi Cash Service Deposit Placement.

Investments

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

Michigan Liquid Asset Fund Plus (MILAF+) – Cash Management	$ 52,423,457
Michigan Liquid Asset Fund Plus (MILAF+) – MAX Class	15,319,976
	$ 67,743,433

The Michigan Liquid Asset Fund Plus (MILAF+) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF+ is not regulated or registered with the Securities Exchange Commission. The MILAF+ Fund is carried at amortized cost and was rated AAAm by Standard & Poor's rating agency. The MILAF+ MAX Class requires a 14-day redemption notice.

Custodial Credit Risk Related to Investments
Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by State statute, and pre- qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business. At June 30, 2026, the District had no investments that were subject to custodial credit risk.

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy does not specifically address credit risk but minimizes its credit risk by limiting investments to the types allowed by the State.

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 funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements. The District's investment policy requires that maturities do not exceed two years.

Concentration of Credit Risk
The District minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security. Excluding pooled investments, no single investment exceeded 5% of total investments at June 30, 2026.

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

Note C – State School Aid/Property Taxes

On March 15, 1994, the voters of the State of Michigan approved Proposal A, which increased the State Sales and Use Tax rates from 4% to 6% and established a State Education Tax at a rate of 6 mills on all property, except that which is exempt by law from ad valorem property taxes, and dedicated the additional revenues generated to Michigan school districts.

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February 2025 and October 2025. The 2025-26 "Foundation Allowance" for Byron Center Public Schools was $10,050 for 4,536 "Full Time Equivalent" students, generating $49,463,206 in state aid payments to the District of which $8,660,579 was paid to the District in July and August 2026 and included in "Due From Other Governmental Units" of the General Fund and Food Service Special Revenue Fund.

Property taxes for the District are levied July 1 and December 1 (the tax lien date) under a split-levy system by the City of Wyoming, the Townships of Byron and Dorr, and the Charter Township of Gaines, and are due 75 days after the levy date. The taxes are then collected by each governmental unit and remitted to the District. The Counties of Kent and Allegan, through their Delinquent Tax Revolving Fund, advance all delinquent real property taxes at March 1 to the District each year prior to June 30.

Section 1211(1) of 1993 PA 312 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill “Local Enhancement Millage” which must be shared between all local districts in each respective county intermediate district.

As Byron Center Public Schools’ electors had previously (May 7, 2019) approved an operating millage extension, the 18 mill non-homestead property tax was levied in the District in 2025.

The District levied 7.0 mills in 2025 for debt service purposes and 0.9619 mills for building and site sinking, applied on all taxable property in the District.

Taxable property in the District is assessed initially at 50% of true cash value by the assessing officials of the various units of government that comprise the District. These valuations are then equalized by the county and finally by the State of Michigan, generating the State Equalized Valuation. Taxable valuation increases will be limited, or capped (known as capped valuation), at 5% or the rate of inflation, whichever is less. With the implementation of Proposal A and Public Act 36, taxable property is now divided into two categories: PRE and NPRE.

A principal residence exemption property (PRE) is exempt from the 18 mill "School Operating" tax. It is not exempt from the 6 mill "State Education" tax, any voted “Local Enhancement Millage” nor any additional voted millage for the retirement of debt.

Non-principal residence exemption property (NPRE) is subject to all District levies. However, since Public Act 36, establishing the Michigan Business Tax, was signed into law, Public Acts 37-40 of 2007 now exempt Industrial Personal Property from the 6 mill State Education Tax and up to 18 mills of local school district operating millage (includes property under Industrial Facilities Tax exemptions); and exempt Commercial Personal Property from up to 12 mills of local school district operating millage (exceptions may apply).

The District is subject to tax abatements granted by the County of Kent with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assists in the building of new facilities, and promotes the establishment of high-tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term up to 12 years as determined by the local unit of government. The agreements entered into by each local unit include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The tax abated property taxes are calculated by applying half the local property tax millage rate on the total IFT taxable value. This amounts to a reduction in property tax revenue of approximately 50%.

For the year ended June 30, 2026, the District’s property tax revenues were reduced by approximately $106,369 under these agreements.

Note D – Interfund Transfers and Receivables/Payables

Amounts due from/to other funds representing interfund receivables and payables for cash flow advances at June 30, 2026 are detailed as follows:

	Due From	Due To
Major Funds:		
General Fund:		
Special Revenue Funds:		
Food Service	$ 820	$ 3,857
Community Service	87,858	183
Student Activity	32	90,891
Total Major Funds	88,710	94,931
Nonmajor Funds:		
Special Revenue Funds:		
Food Service:		
General Fund	3,857	820
Community Service	10,851	-
Community Service:		
General Fund	183	87,858
Food Service	-	10,851
Student/School Activity:		
General Fund	90,891	32
Debt Service Funds:		
2020 Series I Debt:		
Building & Site Sinking	-	5,727
2017 Series I Debt:		
Building & Site Sinking	7,170	-
2019 Refunding Debt:		
Building & Site Sinking	-	441
2020 Refunding Debt:		
Building & Site Sinking	-	12,608
2021 Refunding Debt:		
Building & Site Sinking	-	2,883
2022 Series II Debt:		
Building & Site Sinking	8,534	-
2023 Series II Debt:		
Building & Site Sinking	-	7,496

	Due From	Due To
Capital Projects Fund:		
Building & Site Sinking:		
2020 Series I Debt:	$ 5,727	$ -
2017 Series I Debt	-	7,170
2019 Refunding Debt	441	-
2020 Refunding Debt	12,608	-
2021 Refunding Debt	2,883	-
2022 Series II Debt	-	8,534
2023 Series II Debt	7,496	-
Total Nonmajor Funds	150,641	144,420
Total All Funds	$ 239,351	$ 239,351

Interfund transfers during the year ended June 30, 2026 were as follows:

	Transfers In	Transfers Out
Major Funds:		
General Fund:		
Special Revenue Funds:		
Community Service	$ 125,000	$ 183,628
Nonmajor Funds:		
Special Revenue Funds:		
Community Service:		
General Fund	183,628	125,000
Total All Funds	$ 308,628	$ 308,628

Interfund transfers are essential to maintain the different funds of the District. The transfers assist the fund with cash flow, payroll, and employee benefits. The District's intent is to appropriate expenditures to these funds on an actual basis to show the true costs of operation for these programs. By making the interfund transfers these expenditures can be allocated to each program as they occur.

Note E – Capital Assets

Capital asset activity for the year ended June 30, 2026 was as follows:

	Balances July 1, 2025	Additions	Deductions	Balances June 30, 2026
Capital assets not being depreciated:				
Land	$ 7,266,787	$ -	$ -	$ 7,266,787
Construction in progress	998,207	3,168,072	2,578,759	1,587,520
Total capital assets not being depreciated	8,264,994	$ 3,168,072	$ 2,578,759	8,854,307
Capital assets being depreciated and amortized:				
Land improvements	22,185,292	$ 1,427,903	$ -	23,613,195
Buildings and improvements	218,622,198	1,281,331	-	219,903,529
Furniture and equipment	16,950,606	684,185	-	17,634,791
Vehicles	4,891,035	313,418	195,817	5,008,636
Intangible right-to-use assets:				
Subscription-based IT arrangements	554,197	-	-	554,197
Total capital assets being depreciated and amortized	263,203,328	$ 3,706,837	$ 195,817	266,714,348
Less accumulated depreciation and amortization for:				
Land improvements	17,238,725	$ 957,944	$ -	18,196,669
Buildings and improvements	54,667,405	9,691,466	-	64,358,871
Furniture and equipment	12,101,644	787,351	-	12,888,995
Vehicles	3,278,913	393,169	190,036	3,482,046
Intangible right-to-use assets:				
Subscription-based IT arrangements	430,060	52,428	-	482,488
Total accumulated depreciation and amortization	87,716,747	$ 11,882,358	$ 190,036	99,409,069
Total capital assets being depreciated and amortized, net	175,486,581			167,305,279
Net Capital Assets	$ 183,751,575			$ 176,159,586

Depreciation and amortization expense was charged to District activities as follows:

Governmental activities:	
Instruction	$ 7,934,354
Supporting services	3,554,477
Community services	120,823
Food service	272,704
	$ 11,882,358

Note F – Long-term Obligations

Changes in long-term obligations for the year ended June 30, 2026 are summarized as follows:

	Debt Outstanding July 1, 2025	Debt Added	Debt Retired	Outstanding June 30, 2026
General obligation bonds:				
2017 Building and Site	$ 49,960,000	$ -	$ 1,295,000	$ 48,665,000
2019 Refunding	10,100,000	-	2,000,000	8,100,000
2020 Refunding	9,005,000	-	1,535,000	7,470,000
2020 Building and Site	44,790,000	-	1,050,000	43,740,000
2021 Refunding	9,790,000	-	1,080,000	8,710,000
2022 School Technology and Bus, Series II	2,185,000	-	710,000	1,475,000
2023 Building and Site	20,405,000	-	425,000	19,980,000
2026 Building and Site	-	46,320,000	-	46,320,000
Bond premium	18,584,040	3,846,168	1,238,274	21,191,934
Subscription-based IT arrangements	83,987	-	50,067	33,920
State school loan revolving fund	18,374,999	87,622	8,814	18,453,807
Compensated absences	2,953,029	252,221	-	3,205,250
	$ 186,231,055	$ 50,506,010	$ 9,392,155	$ 227,344,911

Long-term bonds and other obligations at June 30, 2026 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
$56,535K Building & Site, June 28, 2017:				
Annual maturities of $1,360K to $3,615K	May 1, 2047	5.00%	$ 48,665,000	$ 1,360,000
$11,960K Refunding, October 30, 2019:				
Annual maturities of $2,000K to $2,050K	May 1, 2030	2.20	8,100,000	2,000,000
$16,855K Refunding, February 5, 2020:				
Annual maturities of $1,460K to $1,525K	May 1, 2031	5.00	7,470,000	1,525,000
$48,595K Building & Site, June 29, 2020:				
Annual maturities of $1,090K to $2,775K	May 1, 2050	4.00 - 5.00	43,740,000	1,090,000
$13,870K Refunding, May 12, 2021:				
Annual maturities of $1,135K to $1,365K	May 1, 2033	3.00 - 4.00	8,710,000	1,135,000
$2,885K School Technology and Bus Series II, February 24, 2022:				
Annual maturities of $725K to $750K	May 1, 2028	1.82	1,475,000	725,000
$20,810K Building & Site, May 8, 2023:				
Annual maturities of $425K to $9,070K	May 1, 2053	5.00 - 5.25	19,980,000	440,000
$46,320K Building & Site, March 18, 2026:				
Annual maturities of $300K to $3,210K	May 1, 2055	5.00	46,320,000	-
Bond premium		N/A	21,191,934	1,238,274
Subscription-Based IT Arrangements				
NWEA License:				
Annual maturities of $6,023 to $35,867	September 1, 2026	4.75	6,023	6,023
HUDL License:				
Annual maturities of $13,007 to $14,272	September 14, 2027	4.75	27,897	13,625
Other Obligations				
State school loan revolving fund			18,453,807	-
Compensated absences			3,205,250	-
			$ 227,344,911	$ 9,532,922

The District obtains loans from the Michigan School Loan Revolving Fund (SLRF) for the payment of the annual maturities of its general obligation bonds. There is no fixed maturity schedule for the repayment of these loans. Instead, the principal and interest are payable when taxes levied for debt service are no longer needed to retire bonded debt. During the year, the District repaid $8,814 and accrued interest of $87,622 on total SLRF debt. At June 30, 2026, the District owed the SLRF a total of $18,453,807.

The annual requirements to pay principal and interest on long-term bonds outstanding and subscription-based IT arrangements at June 30, 2026 are as follows:

Years Ending June 30	General Obligation Bonds		Subscription-Based IT Arrangement Liabilities		
	Principal	Interest	Principal	Interest	Total
2027	$ 8,275,000	$ 8,737,439	$ 19,648	$ 1,611	$ 17,033,698
2028	9,345,000	8,148,741	14,272	678	17,508,691
2029	7,930,000	7,772,321	-	-	15,702,321
2030	8,095,000	7,443,711	-	-	15,538,711
2031	6,510,000	7,106,075	-	-	13,616,075
2032	5,985,000	6,806,275	-	-	12,791,275
2033	6,230,000	6,547,375	-	-	12,777,375
2034	5,085,000	6,277,375	-	-	11,362,375
2035	5,320,000	6,037,875	-	-	11,357,875
2036	5,570,000	5,787,225	-	-	11,357,225
2037	5,830,000	5,524,675	-	-	11,354,675
2038	6,095,000	5,249,775	-	-	11,344,775
2039	6,375,000	4,962,275	-	-	11,337,275
2040	6,675,000	4,661,475	-	-	11,336,475
2041	6,985,000	4,346,375	-	-	11,331,375
2042	7,325,000	4,016,525	-	-	11,341,525
2043	7,630,000	3,670,425	-	-	11,300,425
2044	7,980,000	3,309,925	-	-	11,289,925
2045	8,310,000	2,930,513	-	-	11,240,513
2046	8,660,000	2,535,500	-	-	11,195,500
2047	9,020,000	2,123,888	-	-	11,143,888
2048	5,740,000	1,695,225	-	-	7,435,225
2049	5,960,000	1,431,513	-	-	7,391,513
2050	6,200,000	1,157,850	-	-	7,357,850
2051	3,550,000	873,325	-	-	4,423,325
2052	3,685,000	693,550	-	-	4,378,550
2053	3,825,000	507,025	-	-	4,332,025
2054	3,060,000	-	-	-	3,060,000
2055	3,210,000	-	-	-	3,210,000
	$ 184,460,000	$ 120,354,249	$ 33,920	$ 2,289	$ 304,850,458

Note G – Retirement Plan

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) (the "System") is a cost- sharing, multiple-employer, state-wide, defined benefit public employee retirement plan and fiduciary component unit of the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members – eleven appointed by the Governor, and the State Superintendent of Instruction, who serves as the ex-officio member.

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

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

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

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The age and service requirements range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by .50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age. The System also provides disability and survivor benefits to DB plan members.

Certain employees have the option to participate in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

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

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of September 30, 2022 is amortized over a 14-year period beginning October 1, 2024 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for the plan fiscal year ended September 30, 2025.

		Pension Contribution Rates:	
Plan Name	**Plan Status**	**Member**	**District**
Basic	Closed	0.0 – 4.0%	30.11%
Member Investment Plan (MIP)	Closed	3.0 – 7.0%	30.11%
Pension Plus (Hybrid)	Closed	3.0 – 6.4%	26.27%
Pension Plus 2 (Hybrid)	Open	6.2%	27.16%
Defined Contribution	Open	0.0%	20.96%

The District's contributions to MPSERS under all pension plans for the year ended June 30, 2026 inclusive of the MSPERS UAAL Stabilization, totaled $11,536,470.

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

As of June 30, 2026, the District reported a liability of $57,243,833 for its proportionate share of the net pension liability. 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 rolled forward from September 2024. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the System during the measurement period by the percent of the pension contributions required from all applicable employers during the measurement period. As of September 30, 2025 the District's proportion was 0.28574783%, which was an increase from 0.26776093% at September 30, 2024.

For the year ended June 30, 2026, the District recognized pension expense of $47,942,285 As of June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,217,218	$ 509,866
Changes of assumptions	2,054,645	3,025,474
Net difference between projected and actual earnings on pension plan investments	—	13,680,050
Changes in proportion and differences between District contributions and proportionate share of contributions	5,711,758	139,575
District contributions subsequent to the measurement date*	10,346,476	—
Total	$ 20,330,097	$ 17,354,965

* This amount, reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2027.

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

Years Ending June 30	Amount
2027	$ 1,194,575
2028	(4,379,763)
2029	(3,295,488)
2030	(890,668)

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2024
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
MIP and Basic Plans:	6.00% net of investment expenses
Pension Plus Plan:	6.00% net of investment expenses
Pension Plus 2:	6.00% net of investment expenses
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Cost-of-Living Adjustments:	3% annual non-compounded for MIP members
Mortality:	
Retirees:	PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Active Members:	PubT-2010 Male and Female Employee Mortality Tables scaled by 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2025 is based on the results of an actuarial valuation date of September 30, 2024 and rolled forward using generally accepted actuarial procedures, including the experience study.

- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.4524 for non-university employers].

- Recognition period for assets in years: 5.0000.

- Full actuarial assumptions are available in the 2025 MPSERS Annual Comprehensive Financial Report found on the ORS website at (www.michigan.gov/orsschools).

Long-Term Expected Rate of Return on Plan Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2025 are summarized in the following table:

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

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

Rate of Return

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

Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus Plan , 6.00% for the Pension Plus 2 Plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus Plan, 6.00% for the Pension Plus 2 plan). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
District's proportionate share of the net pension liability	$ 90,333,926	$ 57,243,833	$ 29,684,022

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

Detailed information about the pension plan's fiduciary net position is available in the separately issued Michigan Public School Employees' Retirement System September 30, 2025 Annual Comprehensive Financial Report, available on the ORS website: (www.michigan.gov/orsschools).

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

Payables to the pension plan totaling $1,526,360 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources. The payables are included in the "Due to Other Governmental Units" at June 30, 2026.

Note H – Other Postemployment Benefits

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS or "System") is a cost-sharing, multiple- employer, state-wide, defined benefit public employee retirement plan and a fiduciary component unit of the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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

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

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

Benefits Provided

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

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

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

Beginning October 1, 2025, active members who have the premium subsidy healthcare benefit are no longer required to pay the 3% contribution toward future healthcare benefits.

Contributions

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of September 30, 2022 is amortized over a 14-year period beginning October 1, 2024 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2025:

OPEB Contribution Rates:

Benefit Structure	Member	District
Premium Subsidy	3.0%	1.25%
Personal Healthcare Fund (PHF)	0.0%	0.00%

Required contributions to the OPEB plan from the District were $351,404 for the year ended June 30, 2026.

OPEB Assets, OPEB Credit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2026, the District reported an asset of $15,728,037 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2024. The District's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the System during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. As of September 30, 2025 the District's proportion was 0.25872236%, which was a decrease from 0.27323097% at September 30, 2024.

For the year ended June 30, 2026, the District recognized OPEB credit of $4,864,607. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ —	$ 10,768,160
Changes of assumptions	2,099,075	166,810
Net difference between projected and actual earnings on OPEB plan investments	—	2,210,132
Changes in proportion and differences between District contributions and proportionate share of contributions	451,399	68,980
District contributions subsequent to the measurement date*	308,971	—
Total	$ 2,859,445	$ 13,214,082

* This amount, reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, will be recognized as an addition of the net OPEB asset in the year ended June 30, 2027.

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

Years Ending June 30	Amount
2027	$ (2,808,220)
2028	(2,783,727)
2029	(2,593,908)
2030	(1,682,342)
2031	(604,152)
Thereafter	(191,259)

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2024
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	6.00% net of investment expense
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Healthcare Cost Trend Rate:	Pre-65 - 7.75% Year 1 graded to 3.5% Year 15 Post-65 – 6.50% Year 1 graded to 3.5% Year 15
Mortality:	
Retirees:	PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Active Members:	PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Other Assumptions:

Opt Out Assumptions:	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage:	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage Election at Retirement:	75% of male and 60% of female future retirees are assumed to elect coverage for one or more dependents.

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2023 valuation. The total OPEB liability as of September 30, 2025 is based on the results of an actuarial valuation date of September 30, 2024 and rolled forward using generally accepted actuarial procedures, including the experience study.

- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [6.4654 for non-university employers].

- Recognition period for assets in years: 5.0000.

- Full actuarial assumptions are available in the 2025 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Rate of Return on Plan Investments

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2025, are summarized in the following table:

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

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

Rate of Return

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

Discount Rate

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6.00 percent, as well as what the District'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:

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
District's proportionate share of the net OPEB liability (asset)	$ (13,550,699)	$ (15,728,037)	$ (17,633,680)

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability (asset)	$ (17,616,291)	$ (15,728,037)	$ (13,745,433)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2025 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

Payables to the OPEB plan totaling $27,935 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources. The payables are included in the "Due to Other Governmental Units" at June 30, 2026.

Note I – Risk Management and Employee Benefits

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

There were no significant reductions in insurance coverage in fiscal 2025-26, and as of year ended June 30, 2026, there were no material pending claims against the District.

Note J – Stewardship, Compliance and Accountability

The District has an unrestricted net position deficit of $32,635,757 and a total net position deficit of $11,867,627, as of June 30, 2026. These deficit net positions result primarily from the net pension liability of $54,268,701 (including deferred outflows and inflows of resources) related to the pension plan.

Note K – Commitments

On June 29, 2020, the District issued $48,595,000 of general obligations 2020 Building and Site Bonds whose proceeds are being used for land improvements, building renovations and additions, and for purchases of furniture and equipment and new school buses. At June 30, 2026, unspent balances committed to these construction projects totaled $819,610, which are expected to be fully expended by the year ended June 30, 2027.

On February 24, 2022, the District issued $2,885,000 of general obligations School and Technology Bus Bonds whose proceeds are being used for technology and bus purchases. At June 30, 2026, unspent balances committed for these purchases totaled $529,718, which are expected to be fully expended by the year ended June 30, 2027.

On May 8, 2023, the District issued $20,810,000 of general obligations 2023 Construction Bonds whose proceeds are being used for building and site purposes. At June 30, 2026, unspent balances committed for these purchases totaled $5,143,491, which are expected to be fully expended by the year ended June 30, 2028.

On March 18, 2026, the District issued $46,320,000 of general obligations 2026 Building and Site bonds whose proceeds are being used for building and site purposes. At June 30, 2026, unspent balances committed for these purchases totaled $48,679,536, which are expected to be fully expended by the year ended June 30, 2028.

Note L – Change within the Financial Reporting Entity

During the year ended June 30, 2026, the District reassessed the classification of governmental funds. As a result of this reassessment, the Building and Site Sinking Fund and 2023 Construction Fund, previously reported as major funds of the District, are now reported as nonmajor funds. In addition, the governmental fund financial statements now include the 2026 Construction Capital Projects Fund as a result of the issuance of bonds for future capital improvements.

Note M – New Accounting Pronouncement

The District adopted GASB Statement No. 103, *Financial Reporting Model Improvements,* during the fiscal year ended June 30, 2026. This statement modifies certain requirements related to management's discussion and analysis, unusual or infrequent items, proprietary fund reporting, budgetary comparison information, and other financial reporting presentations. The implementation of this statement resulted in changes to financial statement presentation and disclosures but had no effect on the District's net position.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

	Budgeted Amounts		Variance -- Original to Final Budgeted	Actual Amounts	Variance -- Final Budget to Actual Amounts
	Original	Final			
Revenues					
Local sources	$ 11,176,297	$ 11,580,995	$ 404,698	$ 11,567,096	$ (13,899)
State sources	45,420,457	49,941,038	4,520,581	50,229,301	288,263
Federal sources	1,157,455	1,621,546	464,091	1,586,500	(35,046)
Interdistrict sources	5,677,440	5,730,048	52,608	5,885,092	155,044
Total Revenues	63,431,649	68,873,627	5,441,978	69,267,989	394,362
Expenditures					
Current:					
Instruction:					
Basic programs	33,126,667	36,825,430	3,698,763	36,528,701	296,729
Added needs	6,861,110	6,694,830	(166,280)	6,446,503	248,327
Supporting services:					
Pupil services	4,493,460	5,128,985	635,525	5,039,661	89,324
Instructional staff services	1,282,639	1,576,933	294,294	1,504,857	72,076
General administrative services	785,800	899,237	113,437	891,760	7,477
School administrative services	3,341,979	3,329,876	(12,103)	3,303,588	26,288
Business services	1,158,589	1,127,826	(30,763)	1,105,964	21,862
Operation and maintenance services	5,437,036	5,554,559	117,523	5,283,153	271,406
Pupil transportation services	3,267,174	3,332,679	65,505	3,318,338	14,341
Central services	1,910,421	1,719,370	(191,051)	1,604,945	114,425
Other supporting services	2,086,149	2,098,236	12,087	2,039,629	58,607
Community services	242,796	244,213	1,417	232,619	11,594
Payments to not for profit entities	-	48,000	48,000	48,000	-
Debt service:					
Principle payment	-	74,624	74,624	50,067	24,557
Interest and fiscal charges	-	6,456	6,456	3,989	2,467
Total Expenditures	63,993,820	68,661,254	4,667,434	67,401,774	1,259,480
Excess (Deficiency) of Revenues Over Expenditures	(562,171)	212,373	774,544	1,866,215	1,653,842
Other Financing Sources (Uses)					
Transfers in	125,000	125,000	-	125,000	-
Transfers out	(183,628)	(199,123)	(15,495)	(183,628)	15,495
Other transactions	-	13,012	13,012	2,728	(10,284)
Total Other Financing Sources (Uses)	(58,628)	(61,111)	(2,483)	(55,900)	5,211
Net Change in Fund Balances	(620,799)	151,262	772,061	1,810,315	1,659,053
Fund Balances, Beginning of Year	18,585,191	18,585,191	-	18,585,191	-
Fund Balances, End of Year	$ 17,964,392	$ 18,736,453	$ 772,061	$ 20,395,506	$ 1,659,053

See accompanying notes to budgetary comparison schedule.

Note A – Adjustments to the Original Budget

The District's original budget is adopted prior to the start of the fiscal year and is subsequently amended as additional information becomes available and operating conditions change. Budget amendments are made throughout the year to reflect changes in enrollment, State and federal funding, grant activity, staffing levels, and other programmatic needs. The final amended budget as of June 30, 2026 reflects these revisions and provides a more current representation of the District's anticipated financial activity.

The following discussion summarizes the most significant changes between the original and final budget and the factors that contributed to those revisions:

- Budgeted revenues from local sources increased by $404,698; the result of conservative tax valuation and collection estimates.
- Revenues from state sources increased by $4.52 million, the result of an increase in per pupil funding and the addition of the Great Start Readiness Program, as well as an increase in categorical funding from the State of Michigan.
- Federal source revenues increased by $464,091, primarily due to an increase in Title I funding.
- Central services expenditures decreased by $191,051 due to a change in leadership structure.
- Expenditures budgeted for various instructional and supporting services functions were increased for a common purpose. In order to better align with increased funding from State and Federal sources, significant increases in programmatic expenditures were necessary for the following budget line items: basic programs ($3.7 million), pupil services ($635,525), instructional staff services ($294,294), and general administrative services ($113,427).

Note B – Budget to Actual Variances

The District compares actual financial results to the final amended budget as of June 30 to evaluate how closely operations aligned with budgetary expectations. Variances between final budgeted and actual amounts may result from differences in the timing of revenues and expenditures, unanticipated operating conditions, changes in program activity, or the receipt and use of grant funding.

The following discussion highlights the most significant differences between the final amended budget and actual results for the fiscal year.

- Interdistrict source revenues were over budget by $155,044, due to excess funding received from the Region 3, ACT 18 Special Education and Enhancement Millage.
- Expenditures for added needs (instruction) were $248,327 under budget, primarily due to a reduction in Region 3 program expenses.

- Operation and maintenance services expenditures were under budget by $271,405, the result of favorable expense management in the areas of contracted services, supplies, and utilities.

- Expenditures for central services were $114,425 under budget; primarily due to a reduction in technology software licensing and contracted repairs.

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN

BYRON CENTER PUBLIC SCHOOLS
June 30, 2026

	Year Ended June 30, 2026	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017
District's proportion of the net pension liability	0.28574783%	0.26776093%	0.25889274%	0.25670023%	0.25253470%	0.24990127%	0.24621827%	0.24091524%	0.23773689%	0.23274125%
District's proportionate share of the net pension liability	$ 57,243,833	$ 65,553,276	$ 83,793,396	$ 96,541,669	$ 59,788,632	$ 85,843,805	$ 81,539,213	$ 72,423,470	$ 61,607,735	$ 58,067,038
District's covered-employee payroll	$ 34,318,095	$ 31,815,358	$ 28,648,548	$ 26,666,035	$ 23,080,014	$ 22,454,672	$ 21,852,001	$ 20,820,987	$ 20,055,824	$ 19,972,998
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	166.80%	206.04%	292.49%	362.04%	259.05%	382.30%	373.14%	347.84%	307.18%	290.73%
Plan fiduciary net position as a percentage of the total pension liability	79.44%	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.12%	63.96%	63.01%

Note: The amounts presented for each of the last ten fiscal years were determined as of September 30 of the preceding year.

There were no changes to benefit terms or assumptions in 2025-26.

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN

BYRON CENTER PUBLIC SCHOOLS
June 30, 2026

	Year Ended June 30, 2026	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
District's proportion of the net OPEB liability (asset)	0.25872236%	0.27323097%	0.26028340%	0.25641453%	0.25370955%	0.25228778%	0.24910151%	0.24419890%	0.23829060%
District's proportionate share of the net OPEB liability (asset)	$ (15,728,037)	$ (11,760,947)	$ (1,472,419)	$ 5,431,020	$ 3,872,566	$ 13,515,730	$ 17,901,412	$ 19,411,253	$ 21,101,755
District's covered-employee payroll	$ 34,318,095	$ 31,815,358	$ 28,648,548	$ 26,666,035	$ 23,080,014	$ 22,454,672	$ 21,852,001	$ 20,820,987	$ 20,055,824
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(45.83)%	(36.97)%	(5.14)%	20.37%	16.78%	60.19%	81.92%	93.23%	105.22%
Plan fiduciary net position as a percentage of the total OPEB liability	164.94%	105.04%	105.04%	83.09%	84.80%	59.44%	48.46%	43.10%	36.53%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

There were no changes to benefit terms or assumptions in 2025-26.

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN

BYRON CENTER PUBLIC SCHOOLS
June 30, 2026

	Year Ended June 30, 2026	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017
Contractually required contribution	$ 11,536,470	$ 11,770,180	$ 11,240,349	$ 9,425,549	$ 8,831,980	$ 7,614,789	$ 7,006,280	$ 6,658,442	$ 6,137,356	$ 6,251,498
Contributions in relation to the contractually required contribution	11,536,470	11,770,180	11,240,349	9,425,549	8,831,980	7,614,789	7,006,280	6,658,442	6,137,356	6,251,498
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 34,398,451	$ 32,295,653	$ 28,770,055	$ 25,960,626	$ 25,098,086	$ 22,722,962	$ 22,914,671	$ 21,476,041	$ 20,718,663	$ 19,868,739
Contributions as a percentage of covered employee payroll	33.54%	36.45%	39.07%	36.31%	35.19%	33.51%	30.58%	31.00%	29.62%	31.46%

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN

BYRON CENTER PUBLIC SCHOOLS
June 30, 2026

	Year Ended June 30, 2026	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Contractually required contribution	$ 351,404	$ 590,602	$ 2,282,927	$ 2,077,915	$ 1,999,036	$ 1,868,449	$ 1,840,452	$ 1,679,863	$ 1,516,494
Contributions in relation to the contractually required contribution	351,404	590,602	2,282,927	2,077,915	1,999,036	1,868,449	1,840,452	1,679,863	1,516,494
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 34,398,451	$ 32,295,653	$ 28,770,055	$ 25,960,626	$ 25,098,086	$ 22,722,962	$ 22,914,671	$ 21,476,041	$ 20,718,663
Contributions as a percentage of covered employee payroll	1.02%	1.83%	7.94%	8.00%	7.96%	8.22%	8.03%	7.82%	7.32%

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

SUPPLEMENTARY INFORMATION

GENERAL FUND

To account for resources which are traditionally associated with the general operation of the District and not required to be accounted for in another fund.

COMPARATIVE BALANCE SHEETS
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
June 30, 2026

	2026	2025
Assets		
Cash	$ 700	$ 700
Cash equivalents and investments	18,730,706	16,919,113
Accounts receivable	-	10,410
Due from other funds	88,710	212
Due from other governmental units	9,637,366	8,883,402
Prepaid expenditures	329,560	1,500
Total Assets	$ 28,787,042	$ 25,815,337
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 467,795	$ 277,383
Due to other funds	94,931	30,789
Due to other governmental units	2,851,683	1,873,151
Salaries payable	2,713,745	2,632,179
Unearned revenue	2,263,382	2,416,644
Total Liabilities	8,391,536	7,230,146
Fund Balances		
Nonspendable	329,560	1,500
Committed	1,075,227	1,672,527
Assigned	129,648	206,833
Unassigned	18,861,071	16,704,331
Total Fund Balances	20,395,506	18,585,191
Total Liabilities and Fund Balances	$ 28,787,042	$ 25,815,337

COMPARATIVE SCHEDULE OF REVENUES
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2026 and 2025

	2026	2025
Local sources:		
Property taxes:		
Current property taxes	$ 10,081,588	$ 9,309,971
Delinquent and other property taxes	292,315	2,593
Interest on delinquent taxes	6,513	6,320
	10,380,416	9,318,884
Tuition:		
Summer school	-	200
Interest earnings	628,584	635,382
Revenue from student activities:		
Admissions	258,991	298,071
Other local revenue:		
Rental of school property	500	1,150
Contributions	10,681	7,608
Miscellaneous local revenues	287,924	322,960
	299,105	331,718
Total local sources	11,567,096	10,584,255
State sources:		
State aid	47,755,301	47,033,907
Special education - transportation	624,649	554,700
Special education - itinerants	-	65,282
Special education - millage incentive	-	33,429
Other grants	1,849,351	193,830
Total state sources	50,229,301	47,881,148
Federal sources:		
Title I, Part A	326,966	141,642
Title II, Part A	64,669	66,835
Title III, Part A	21,193	11,874
Title IV, Part A	3,737	10,863
Special education cluster - I.D.E.A.	1,055,457	998,806
Filter First	36,991	-
McKinney Vento	1,437	-
Medicaid - school based	76,050	41,178
Health resource advocate	-	66,558
Total federal sources	1,586,500	1,337,756

COMPARATIVE SCHEDULE OF REVENUES (Continued)
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2026 and 2025

	2026	2025
Interdistrict sources:		
ISD collected millage	$ 4,760,821	$ 4,543,096
Special education - other local districts	664,609	393,980
Medicaid fee for service	459,662	460,891
GSRP	-	7,840
Total interdistrict sources	5,885,092	5,405,807
Total Revenues	$ 69,267,989	$ 65,208,966

COMPARATIVE SCHEDULE OF EXPENDITURES
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2026 and 2025

	2026	2025
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	$ 6,764,399	$ 6,381,222
Employee benefits	5,425,127	5,040,955
Purchased services	647,996	627,311
Supplies	448,697	533,241
	13,286,219	12,582,729
Middle school:		
Salaries	5,877,542	5,484,853
Employee benefits	4,716,207	4,322,654
Purchased services	302,556	347,319
Supplies	141,855	159,910
Miscellaneous	1,574	1,549
	11,039,734	10,316,285
High school:		
Salaries	5,537,947	5,128,153
Employee benefits	4,395,526	4,030,002
Purchased services	474,547	430,948
Supplies	270,294	242,566
Miscellaneous	7,299	6,304
Payments to other districts	119,624	109,365
	10,805,237	9,947,338
Pre-kindergarten:		
Salaries	455,027	-
Employee benefits	190,796	-
Purchased services	192,440	-
Supplies	350,165	-
Capital outlay	200,000	-
Payments to other districts	9,083	9,131
	1,397,511	9,131
Total basic programs	36,528,701	32,855,483
Added needs:		
Special education:		
Salaries	2,894,445	2,604,224
Employee benefits	1,387,323	1,407,605
Purchased services	161,569	223,033
Supplies	25,802	19,204
Payments to other districts	347,238	387,942
	4,816,377	4,642,008

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2026 and 2025

	2026	2025
Compensatory education:		
Salaries	$ 954,588	$ 1,066,718
Employee benefits	396,231	452,788
Purchased services	7,348	960
Supplies	494	500
	1,358,661	1,520,966
Career and technical education:		
Salaries	157,018	141,307
Employee benefits	98,920	98,626
Purchased services	652	718
Supplies	14,875	16,029
Capital outlay	-	15,286
	271,465	271,966
Total added needs	6,446,503	6,434,940
Total instruction	42,975,204	39,290,423
Supporting services:		
Pupil services:		
Guidance services:		
Salaries	806,775	727,485
Employee benefits	423,642	425,089
Purchased services	29,063	21,455
Miscellaneous	-	80
	1,259,480	1,174,109
Health services:		
Salaries	179,235	123,509
Employee benefits	78,797	46,692
Purchased services	276,398	260,371
Supplies	1,924	5,985
	536,354	436,557
Psychological services:		
Salaries	367,720	339,728
Employee benefits	185,019	170,148
Purchased services	1,419	100,061
Supplies	3,994	2,120
	558,152	612,057
Speech pathology services:		
Salaries	556,606	499,272
Employee benefits	273,254	270,527
Purchased services	35,824	829
Supplies	1,947	2,660
Payments to other districts	-	899
	867,631	774,187

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2026 and 2025

	2026	2025
Social worker services:		
Salaries	$ 907,060	$ 748,384
Employee benefits	509,290	461,647
Purchased services	6,235	662
Supplies	2,245	2,027
Payments to other districts	-	3,365
	1,424,830	1,216,085
Other pupil services:		
Salaries	256,967	259,924
Employee benefits	85,130	96,565
Purchased services	50,588	41,172
Supplies	529	90
	393,214	397,751
Total pupil services	5,039,661	4,610,746
Instructional staff services:		
Improvement of instruction:		
Salaries	92,883	40,782
Employee benefits	23,950	3,740
Purchased services	52,826	221,856
Supplies	6,833	1,431
Miscellaneous	200	200
	176,692	268,009
Educational media services:		
Salaries	139,283	143,994
Employee benefits	43,309	48,476
Supplies	12,036	11,519
	194,628	203,989
Supervision and direction of instruction:		
Salaries	677,472	555,021
Employee benefits	390,558	343,252
Purchased services	15,019	12,042
Supplies	2,974	3,486
Miscellaneous	1,590	1,010
	1,087,613	914,811
Academic student assessment:		
Purchased services	45,924	-
Total instructional staff services	1,504,857	1,386,809

COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2026 and 2025

	2026	2025
General administrative services:		
Board of education:		
Salaries	$ 3,930	$ 4,230
Employee benefits	308	334
Purchased services	137,164	107,450
Supplies	-	8,586
Miscellaneous	11,271	11,207
	152,673	131,807
Executive administration:		
Salaries	450,839	337,707
Employee benefits	250,422	197,625
Purchased services	29,318	16,808
Supplies	5,841	8,134
Miscellaneous	2,667	6,467
	739,087	566,741
Total general administrative services	891,760	698,548
School administrative services:		
Office of the principal:		
Salaries	2,044,101	1,859,079
Employee benefits	1,154,335	1,131,115
Purchased services	83,333	98,028
Supplies	17,836	17,150
Miscellaneous	3,983	1,999
Total school administrative services	3,303,588	3,107,371
Business services:		
Fiscal services:		
Salaries	497,493	532,573
Employee benefits	294,629	309,389
Purchased services	101,834	189,915
Supplies	3,617	10,126
Miscellaneous	4,008	1,170
	901,581	1,043,173
Other business services:		
Employee benefits	87,400	395,346
Purchased services	46,182	42,993
Miscellaneous	52,022	28,238
Payments to other districts	18,779	18,351
	204,383	484,928
Total business services	1,105,964	1,528,101

	2026	2025
Operation and maintenance services:		
Operation and maintenance:		
Salaries	$ 573,615	$ 546,042
Employee benefits	352,546	343,639
Purchased services	2,461,414	2,470,563
Supplies	1,653,285	1,603,751
Capital outlay	6,207	13,332
Miscellaneous	15,049	16,969
	5,062,116	4,994,296
Security services:		
Purchased services	220,296	210,923
Supplies	741	133,801
	221,037	344,724
Total operation and maintenance services	5,283,153	5,339,020
Pupil transportation services:		
Pupil transportation:		
Salaries	1,140,171	1,072,713
Employee benefits	451,628	469,745
Purchased services	359,858	468,760
Supplies	264,530	263,499
Capital outlay	-	159,330
Miscellaneous	7,747	1,914
Payments to other districts	1,094,404	838,307
Total pupil transportation services	3,318,338	3,274,268
Central services:		
Planning, research, development, and evaluation:		
Salaries	-	18,000
Employee benefits	-	7,006
Purchased services	-	38,650
Supplies	-	213
	-	63,869
Advertising:		
Salaries	80,722	75,705
Employee benefits	36,115	37,036
Purchased services	34,201	31,072
Supplies	-	2,025
Miscellaneous	782	200
Payments to other districts	10,000	10,000
	161,820	156,038

COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2026 and 2025

	2026	2025
Personnel services:		
Salaries	$ 236,345	$ 228,644
Employee benefits	124,075	145,590
Purchased services	84,357	77,049
Supplies	733	4,345
Miscellaneous	140	290
	445,650	455,918
Technology services:		
Salaries	293,878	362,310
Employee benefits	186,766	240,561
Purchased services	381,316	415,954
Supplies	6,761	13,387
Miscellaneous	9,871	9,054
	878,592	1,041,266
Pupil accounting:		
Supplies	82,321	77,228
Employee benefits	36,498	33,343
Purchased services	64	235
	118,883	110,806
Total central services	1,604,945	1,827,897
Other supporting services:		
Athletics:		
Salaries	1,042,797	1,006,344
Employee benefits	470,847	480,313
Purchased services	276,967	273,031
Supplies	223,385	170,426
Capital outlay	-	34,222
Miscellaneous	25,633	23,674
Total other supporting services	2,039,629	1,988,010
Total supporting services	24,091,895	23,760,770
Community services:		
Community pool:		
Salaries	74,833	106,101
Employee benefits	48,500	47,541
Purchased services	25,274	25,859
Supplies	16,268	14,464
Miscellaneous	511	433
	165,386	194,398

COMPARATIVE SCHEDULE OF EXPENDITURES (Continued)
GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the years ended June 30, 2026 and 2025

	2026	2025
Community activities:		
Salaries	$ 110	$ -
Employee benefits	39	-
Purchased services	1,881	1,000
	2,030	1,000
Non-public school pupils:		
Salaries	32,435	45,138
Employee benefits	19,022	26,936
Purchased services	13,746	15,283
Supplies	-	1,354
	65,203	88,711
Total community services	232,619	284,109
Payments to other governmental and not-for-profit entities:		
Miscellaneous	48,000	57,600
Debt service:		
SBITA principal payment	50,067	34,241
SBITA interest	3,989	3,618
	54,056	37,859
Total Expenditures	$ 67,401,774	$ 63,430,761

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

	Special Revenue		
	Food Service	Community Service	Student/School Activity
Assets			
Cash	$ 647	$ -	$ -
Cash equivalents and investments	863,120	4,388,157	799,737
Accounts receivable	-	-	-
Due from other funds	14,708	183	90,891
Due from other governmental units	-	7,498	-
Inventory	49,960	-	-
Prepaid expenditures	-	23,970	-
Total Assets	$ 928,435	$ 4,419,808	$ 890,628
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 6	$ 3,141	$ 3,144
Due to other funds	820	98,709	32
Arbitrage rebate payable	-	-	-
Unearned revenue	57,871	24,000	-
Total Liabilities	58,697	125,850	3,176
Fund Balances			
Nonspendable	49,960	23,970	-
Restricted	819,778	4,269,988	887,452
Committed	-	-	-
Total Fund Balances	869,738	4,293,958	887,452
Total Liabilities and Fund Balances	$ 928,435	$ 4,419,808	$ 890,628

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Debt Service							
2017 Debt	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	2022 Debt	2023 Debt
$ -	$ -	$ -	$ -	$ -	$ -	$ -
138,255	92,086	92,280	110,496	62,945	23,825	60,434
3,126	1,637	-	-	-	-	-
7,170	-	-	-	-	8,534	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 148,551	$ 93,723	$ 92,280	$ 110,496	$ 62,945	$ 32,359	$ 60,434
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	441	12,608	5,727	2,883	-	7,496
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	441	12,608	5,727	2,883	-	7,496
-	-	-	-	-	-	-
148,551	93,282	79,672	104,769	60,062	32,359	52,938
-	-	-	-	-	-	-
148,551	93,282	79,672	104,769	60,062	32,359	52,938
$ 148,551	$ 93,723	$ 92,280	$ 110,496	$ 62,945	$ 32,359	$ 60,434

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)

BYRON CENTER PUBLIC SCHOOLS
June 30, 2026

	Capital Projects					
	Building and Site Sinking	2020 Construction	2022 Technology and Buses	2023 Construction	PWE	Total
Assets						
Cash	$ -	$ -	$ -	$ -	$ -	$ 647
Cash equivalents and investments	7,380,076	819,610	550,293	5,522,791	5,817	20,909,922
Accounts receivable	-	-	-	-	-	4,763
Due from other funds	29,155	-	-	-	-	150,641
Due from other governmental units	-	-	-	-	-	7,498
Inventory	-	-	-	-	-	49,960
Prepaid expenditures	-	-	-	-	-	23,970
Total Assets	$ 7,409,231	$ 819,610	$ 550,293	$ 5,522,791	$ 5,817	$ 21,147,401
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ 30,072	$ -	$ 20,575	$ 1,399	$ -	$ 58,337
Due to other funds	15,704	-	-	-	-	144,420
Arbitrage rebate payable	-	-	-	377,901	-	377,901
Unearned revenue	-	-	-	-	-	81,871
Total Liabilities	45,776	-	20,575	379,300	-	662,529
Fund Balances						
Nonspendable	-	-	-	-	-	73,930
Restricted	5,674,679	819,610	529,718	5,143,491	5,817	18,722,166
Committed	1,688,776	-	-	-	-	1,688,776
Total Fund Balances	7,363,455	819,610	529,718	5,143,491	5,817	20,484,872
Total Liabilities and Fund Balances	$ 7,409,231	$ 819,610	$ 550,293	$ 5,522,791	$ 5,817	$ 21,147,401

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COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

	Special Revenue		
	Food Service	Community Service	Student/School Activity
Revenues			
Local sources:			
Property taxes	$ -	$ -	$ -
Tuition	-	1,796,344	-
Interest earnings	10,747	82,311	-
Food sales	359,938	-	-
Other local sources	1,237	388,997	850,086
Total local sources	371,922	2,267,652	850,086
Non-educational sources	-	207,410	-
State sources	2,079,417	21,588	-
Federal sources	1,202,331	-	-
Total Revenues	3,653,670	2,496,650	850,086
Expenditures			
Current:			
Supporting services	-	-	784,744
Food service	3,675,963	-	-
Community services	-	2,016,408	-
Capital outlay	-	-	-
Debt service:			
Principal repayment	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	3,675,963	2,016,408	784,744
Excess (Deficiency) of Revenues Over Expenditures	(22,293)	480,242	65,342
Other Financing Sources (Uses)			
Transfers in	-	183,628	-
Transfers out	-	(125,000)	-
Total Other Financing Sources (Uses)	-	58,628	-
Net Change in Fund Balances	(22,293)	538,870	65,342
Fund Balances (Deficit), Beginning of Year	892,031	3,755,088	822,110
Fund Balances, End of Year	$ 869,738	$ 4,293,958	$ 887,452

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Debt Service						
2017 Debt	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	2022 Debt	2023 Debt
$ 4,101,989	$ 2,259,384	$ 2,105,834	$ 3,027,138	$ 1,535,506	$ 789,687	$ 1,535,506
-	-	-	-	-	-	-
20,814	20,060	16,354	15,192	10,762	5,817	7,531
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,122,803	2,279,444	2,122,188	3,042,330	1,546,268	795,504	1,543,037
-	-	-	-	-	-	-
15,689	8,891	8,978	12,203	6,189	2,615	6,450
-	-	-	-	-	-	-
4,138,492	2,288,335	2,131,166	3,054,533	1,552,457	798,119	1,549,487
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,449,887	2,106,432	1,639,408	1,173,188	1,152,768	736,784	493,651
2,498,498	225,325	450,750	1,827,350	365,102	39,767	1,043,928
3,948,385	2,331,757	2,090,158	3,000,538	1,517,870	776,551	1,537,579
190,107	(43,422)	41,008	53,995	34,587	21,568	11,908
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
190,107	(43,422)	41,008	53,995	34,587	21,568	11,908
(41,556)	136,704	38,664	50,774	25,475	10,791	41,030
$ 148,551	$ 93,282	$ 79,672	$ 104,769	$ 60,062	$ 32,359	$ 52,938

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2026

	Capital Projects					
	Building and Site Sinking	2020 Construction	2022 Technology and Buses	2023 Construction	PWE	Total
Revenues						
Local sources:						
Property taxes	$ 2,122,979	$ -	$ -	$ -	$ -	$ 17,478,023
Tuition	-	-	-		-	1,796,344
Interest earnings	135,995	43,836	30,338	235,048	119	634,924
Food sales	-	-	-		-	359,938
Other local sources	8,474	-	-		-	1,248,794
Total local sources	2,267,448	43,836	30,338	235,048	119	21,518,023
Non-educational sources	-	-	-		-	207,410
State sources	8,431	-	-		-	2,170,451
Federal sources	-	-	-		-	1,202,331
Total Revenues	2,275,879	43,836	30,338	235,048	119	25,098,215
Expenditures						
Current:						
Supporting services	-	-	-	-	-	784,744
Food service	-	-	-	-	-	3,675,963
Community services	-	-	-	-	-	2,016,408
Capital outlay	832,120	897,474	858,843	1,702,310	-	4,290,747
Debt service:						
Principal repayment	-	-	-	-	-	8,752,118
Interest and fiscal charges	-	-	-	-	-	6,450,720
Total Expenditures	832,120	897,474	858,843	1,702,310	-	25,970,700
Excess (Deficiency) of Revenues Over Expenditures	1,443,759	(853,638)	(828,505)	(1,467,262)	119	(872,485)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	183,628
Transfers out	-	-	-	-	-	(125,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	58,628
Net Change in Fund Balances	1,443,759	(853,638)	(828,505)	(1,467,262)	119	(813,857)
Fund Balances, Beginning of Year	5,919,696	1,673,248	1,358,223	6,610,753	5,698	21,298,729
Fund Balances, End of Year	$ 7,363,455	$ 819,610	$ 529,718	$ 5,143,491	$ 5,817	$ 20,484,872

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL – FOOD SERVICE SPECIAL REVENUE FUND

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2026

	Budget	Actual	Variance
Revenues			
Local sources	$ 359,310	$ 371,922	$ 12,612
State sources	2,109,822	2,079,417	(30,405)
Federal sources	1,194,035	1,202,331	8,296
Total Revenues	3,663,167	3,653,670	(9,497)
Expenditures			
Food service	3,835,345	3,675,963	159,382
Net Change in Fund Balances	(172,178)	(22,293)	149,885
Fund Balances, Beginning of Year	892,031	892,031	-
Fund Balances, End of Year	$ 719,853	$ 869,738	$ 149,885

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL – COMMUNITY SERVICE SPECIAL REVENUE FUND

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2026

	Budget	Actual	Variance
Revenues			
Local sources	$ 2,214,374	$ 2,267,652	$ 53,278
Non-educational sources	235,640	207,410	(28,230)
State sources	-	21,588	21,588
Total Revenues	2,450,014	2,496,650	46,636
Expenditures			
Current:			
Community services	2,009,465	2,015,158	(5,693)
Debt service:			
Subscription-based IT arrangements principal payment	-	1,193	(1,193)
Subscription-based IT arrangements interest expense	-	57	(57)
Total Expenditures	2,009,465	2,016,408	(6,943)
Excess (Deficiency) of Revenues Over Expenditures	440,549	480,242	39,693
Other Financing Sources (Uses)			
Transfers in	183,628	183,628	-
Transfers out	(126,251)	(125,000)	1,251
Total Other Financing Sources (Uses)	57,377	58,628	1,251
Net Change in Fund Balances	497,926	538,870	40,944
Fund Balances, Beginning of Year	3,755,088	3,755,088	-
Fund Balances, End of Year	$ 4,253,014	$ 4,293,958	$ 40,944

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – STUDENT/SCHOOL ACTIVITY SPECIAL REVENUE FUND

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2026

	Budget	Actual	Variance
Revenues			
Local sources	$ 925,000	$ 850,086	$ (74,914)
Expenditures			
Current:			
Supporting services	751,175	784,744	(33,569)
Net Change in Fund Balance	173,825	65,342	(108,483)
Fund Balance, Beginning of Year	822,110	822,110	-
Fund Balance, End of Year	$ 995,935	$ 887,452	$ (108,483)