

**HOLT PUBLIC SCHOOLS**

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

**YEAR ENDED JUNE 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of  
Holt Public Schools

### ***Opinions***

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

### ***Basis for Opinions***

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

### ***Change in Accounting Principle***

As discussed in Note 15 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Holt 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 Holt Public Schools' ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2025 on our consideration of Holt 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 Holt 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 Holt Public Schools' internal control over financial reporting and compliance.

October 22, 2025

## **HOLT PUBLIC SCHOOLS MANAGEMENT'S DISCUSSION & ANALYSIS**

Please read in conjunction with the District's financial statements which immediately follow this section.

Holt Public Schools, a K-12 school district located in Ingham County, Michigan.

### **FINANCIAL HIGHLIGHTS**

In 2024-2025 total general fund revenues were approximately \$78.7 million dollars with expenditures of approximately \$78.2 million dollars. In 2023-2024 total general fund revenues were approximately \$79.0 million dollars with expenditures approximately \$78.7 million dollars. General fund revenues remained relatively consistent with the 2023-2024 school year with less spending on the Education Stabilization Fund, as the COVID-era grants came to a close, partially offset by increases in property taxes, state revenue (GSRP), and special education funding from the ISD. General fund expenditures also remained relatively consistent with the 2023-2024 school year with a decrease in spending on instruction (UAAL rate decrease) being partially offset by an increase in spending on support services.

The food service fund finished the fiscal year with a decrease in fund balance of approximately \$8,000. Food service finished the year with a fund balance of approximately \$1,007,000.

The 2021 building and site - series I, II, and III fund was established to account for the construction bonds approved by voters at the May 4, 2021 election. During the 2022 fiscal year, the District issued 2021 general obligation building and site bonds - series I. During the 2023 fiscal year, the District issued 2023 general obligation building and site bonds - series II. During the current fiscal year, the District issued 2024 general obligation building and site bonds - series III. The 2021 building and site - series I, II, and III fund accounts for the receipt of the above mentioned bond issuances, related investment earnings, and the acquisition of capital assets or construction of major capital projects.

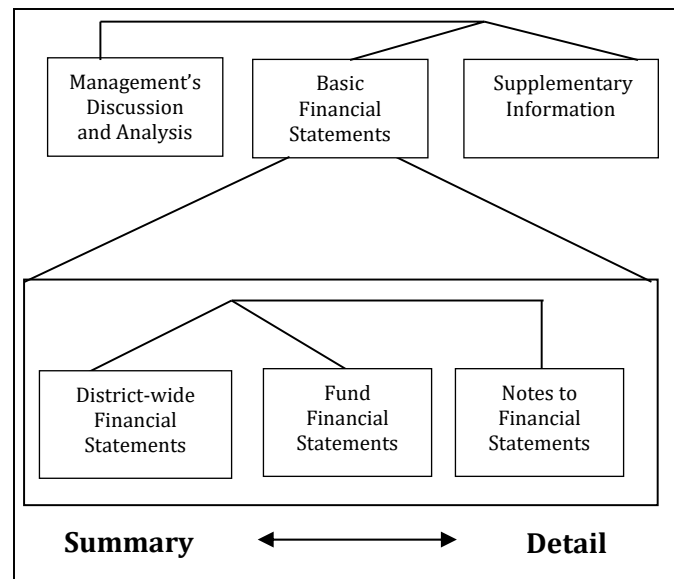
# HOLT PUBLIC SCHOOLS MANAGEMENT'S DISCUSSION & ANALYSIS

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations *in more detail* than the District-wide statements.
- The *governmental funds* statements tell how *basic* services like 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 District does not currently have any Fiduciary funds.

**Figure A-1  
Organization of Holt Public Schools'  
Annual Financial Report**



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

**HOLT PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION & ANALYSIS**

**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

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

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



## **HOLT PUBLIC SCHOOLS MANAGEMENT'S DISCUSSION & ANALYSIS**

### **DISTRICT-WIDE FINANCIAL STATEMENTS**

All of the District's assets, deferred outflows of resources, deferred inflows of resources, and liabilities are reported in the District-wide financial statements and are on a full accrual basis, which is similar to those used by private-sector companies. For example, capital assets and long-term obligations of the District are reported in the statement of net position of the District-wide financial statements. The difference between the District's assets, deferred outflows of resources, deferred inflows of resources, and liabilities (net position) is one way to measure the District's financial position. However, you need to consider other non-financial factors such as changes in the District's property tax base and the condition and age of the school buildings and other facilities.

The current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. These activities are financed through the state foundation grant, property taxes, and various federal and state programs.

The District's combined net position at the beginning of the fiscal year, as restated with the adoption of GASB 101, was (\$54,227,511) and on June 30, 2025 it is (\$34,140,207), which represents a current year increase of \$20,087,304 as recorded in the statement of activities.

### **FUND FINANCIAL STATEMENTS**

The fund financial statements are reported on a modified accrual basis and consist of governmental funds. Governmental funds include all of the District's basic services 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 on future District programs. Some of these funds are established by State law and by bond covenants while others can be established for the District to control and manage money for a particular purpose, such as food service.

**HOLT PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION & ANALYSIS**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position** - The District's combined net deficit improved as of June 30, 2025.

<b>Table A-3 Holt Public Schools' Net Position</b>		
	2025	2024*
<b>ASSETS</b>		
Current assets	\$ 76,340,658	\$ 59,188,914
Net other postemployment benefits asset	14,729,330	1,999,739
Capital assets	114,806,520	94,415,094
<b>TOTAL ASSETS</b>	<b>205,876,508</b>	<b>155,603,747</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>29,755,774</b>	<b>41,678,287</b>
<b>LIABILITIES</b>		
Long-term debt outstanding	117,352,016	81,174,696
Net pension liability	85,107,329	113,509,630
Other liabilities	17,686,369	18,450,862
<b>TOTAL LIABILITIES</b>	<b>220,145,714</b>	<b>213,135,188</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>49,626,775</b>	<b>36,824,947</b>
<b>NET POSITION</b>		
Net investment in capital assets	43,655,369	40,865,172
Restricted for debt service	2,591,479	2,220,988
Restricted for net other postemployment benefits	14,729,330	1,999,739
Unrestricted	(95,116,385)	(97,764,000)
<b>TOTAL NET POSITION</b>	<b>\$ (34,140,207)</b>	<b>\$ (52,678,101)</b>
*The 2024 numbers have not been updated for the adoption of GASB 101.		

**HOLT PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION & ANALYSIS**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)**

<b>Table A-4 Changes in Holt Public Schools' Net Position</b>		
	<u>2025</u>	<u>2024*</u>
<b>REVENUES</b>		
Program revenues		
Charges for services	\$ 2,888,099	\$ 3,182,982
Operating grants and contributions	29,142,562	28,082,255
General revenues		
Property taxes	15,258,784	14,285,998
Investment earnings	2,388,292	1,690,978
State sources - unrestricted	39,277,242	40,687,818
Intermediate sources	7,734,803	7,057,770
Other	160,316	571,673
<b>TOTAL REVENUES</b>	<u>96,850,098</u>	<u>95,559,474</u>
<b>EXPENSES</b>		
Instruction	38,491,973	43,280,067
Support services	29,228,771	28,951,107
Community services	1,312,038	1,405,626
Student / school activities	661,068	648,351
Food services	3,026,242	2,844,888
Interest on long-term debt	4,042,702	2,928,412
<b>TOTAL EXPENSES</b>	<u>76,762,794</u>	<u>80,058,451</u>
Change in net position	<u>\$ 20,087,304</u>	<u>\$ 15,501,023</u>
*The 2024 numbers have not been updated for the adoption of GASB 101.		

**STATE OF MICHIGAN UNRESTRICTED AID (State Foundation Grant)**

The State of Michigan aid, unrestricted, is determined with the following variables:

- a. The Michigan State Aid Act per student foundation allowance which was established under Proposal A has increased from \$5,641 per student in 1995 to \$9,608 per student in 2024-2025. The per student State foundation allowance remained the same in the current year when compared to 2023-2024. The foundation allowance increased \$458 in the previous year when compared to 2022-2023.
- b. The District's non-pre levy for 2024-25 was 18.0000 mills, which was the full millage the voters approved in March of 2016.

## **HOLT PUBLIC SCHOOLS MANAGEMENT'S DISCUSSION & ANALYSIS**

### **Student Enrollment**

Student enrollment decreased from 4,768 in 2023-2024 to 4,688 in 2024-2025. For the 2025-2026 school year, it is hopeful that enrollment will remain relatively stable with a slight decline due to the demographics in school age students.

### **GOVERNMENTAL FUNDS**

The following summarizes the revenues and expenses by comparing fiscal year 2025 to 2024.

- State sources were consistent with the previous year as the foundation allowance went unchanged and the increase in funding for the Great Start Readiness Program was offset by a decrease in pupils.
- Federal sources decreased due in most part to the Education Stabilization Fund sunseting in the current year.
- Expenses increased from \$105.1 million in 2024 to \$116.7 million in the current year, an increase of approximately \$11.6 million. This increase was caused by increased spending in the 2021 building and site - series I, II, and III fund based on the timing of construction projects and work completed in the current vs. the previous year.

The Holt Public School District voters approved the 18-mill renewal in March 2016. The State of Michigan allows each school district to levy 18 mills on Non-PRE property and the foundation grant is calculated after the 18 mills.

### **GENERAL FUND AND BUDGET HIGHLIGHTS**

#### **Original vs. Final Budget**

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. The original 2024-2025 budget was approved in May 2024.

The 2024-2025 budget was revised three times throughout the fiscal year, with the final revision approved in May 2025. The final budget revision anticipated higher revenues and higher expenses than was expected in May 2024, when the original budget was approved. The increase in budgeted revenues was due to higher-than-expected revenues from local, state, federal, and ISD sources while the increase in budgeted expenditures was due to increased spending on instruction and supporting services with the increase in budgeted available revenues.

**HOLT PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION & ANALYSIS**

**CAPITAL ASSET AND LONG-TERM OBLIGATION ADMINISTRATION**

**Capital Assets**

By the end of 2025, the District had invested \$212.5 million in a broad range of capital assets.

<b>Table A-5 Holt Public Schools' Capital Assets</b>				
	<b>2025</b>			<b>2024</b>
	<b>Cost</b>	<b>Accumulated Depreciation/ Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
Land	\$ 1,566,242	\$ -	\$ 1,566,242	\$ 1,566,242
Construction in progress	2,457,966	-	2,457,966	8,419,695
Building and improvements	182,350,324	77,246,838	105,103,486	79,574,680
Furniture and equipment	22,044,639	17,860,587	4,184,052	3,061,674
Buses and other vehicles	2,922,756	1,910,259	1,012,497	1,069,388
Right to use - leased equipment	1,205,691	723,414	482,277	723,415
<b>Total</b>	<b>\$ 212,547,618</b>	<b>\$ 97,741,098</b>	<b>\$ 114,806,520</b>	<b>\$ 94,415,094</b>

**Long-term Obligations**

At June 30, 2025, the District had approximately \$117.4 million in long-term obligations which included approximately \$114.2 million in general obligation bonds. The general obligation bonds balance increased during the current year as the District issued the 2024 building and site bonds - series III. This increase was partially offset as the District continued to make its required principal and interest payments on existing obligations. \$502.8 thousand of the District's long-term obligations are notes from direct borrowing and direct placement related to the lease agreement for copiers entered into during the 2023 fiscal year. In addition to the general obligation bonds and notes from direct borrowing and direct placement, the District has obligations for compensated absences estimated at roughly \$2.6 million at the end of the fiscal year, which represented a significant increase over the prior year balance, as previously stated, with the adoption of GASB 101.

<b>Table A-6 Holt Public Schools Outstanding Long-Term Obligations</b>		
	<b>2025</b>	<b>2024*</b>
General obligation bonds - net	\$ 114,200,096	\$ 79,447,854
Compensated absences	2,649,127	983,728
Notes from direct borrowing and direct placement	502,793	743,114
	<b>\$ 117,352,016</b>	<b>\$ 81,174,696</b>
*The 2024 numbers have not been updated for the adoption of GASB 101.		

## **HOLT PUBLIC SCHOOLS MANAGEMENT'S DISCUSSION & ANALYSIS**

### **FACTORS BEARING ON THE DISTRICT'S FUTURE**

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

- Our elected officials and administration consider many factors when setting the School District's 2025-2026 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2025-26 budget was adopted in May 2025 based on an estimate of students who will enroll in October 2025. Approximately 76.3 percent of total general fund revenue and incoming transfers budgeted for fiscal year 2026 is from the foundation allowance. Under state law, the School District cannot access additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of 2026 school year, we anticipate that the fall student count will decline for the 2025-26 budget. Once the final student count and related per pupil funding is validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations. Since the School District's revenue is heavily dependent on state funding and the health of State's School Aid fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to the School District. The State of Michigan has not passed a budget for their 2025-26 fiscal year, which has a significant impact on the School District's budget. The School District will need to borrow to support general fund operations if a State Aid payment is missed due to a government shutdown. This will be a significant budget issue if the State's budget is not passed in a timely manner.
- In May of 2021, the taxpayers of Holt Public School approved \$148,000,000 in new bonds for the refurbishment of existing buildings. Work started in the summer of 2022. The first series is estimated to be completed in December 2025. The second series is estimated to be completed at the end of summer 2026. The third series is estimated to be completed in the summer of 2027. Changes in projected construction costs may affect the current and future construction projects with the district. The district went to the voters for a supplemental bond of \$22,000,000, which passed. These dollars will not be realized until 2027. The debt tax rate will remain at 8.23 mills.
- The district will be negotiating with the Holt Paraeducator Association/MEA and the Holt Association of Educational Office Personnel/MEA on contracts that are set to expire June 30, 2026. The outcome of current negotiations will affect decisions on the original budget for 2026-2027.
- Holt was approved by the State for the community eligibility provision for food service Districtwide, which makes breakfast and lunch 100% free to students. The funding for the Districtwide program will be from state and federal revenues. The total financial impact to the food service fund is forecasted to have a positive impact as more students are participating. The District is monitoring the situation closely so that the food service program is not negatively impacted in total. The State of Michigan has not passed a budget to provide the school district with free lunches for 2025-26. The district will need to determine if the free breakfast and lunch program is sustainable if the State of Michigan eliminates the program as the School District's general fund will need to make the food service fund whole.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the revenues it receives. If you have any questions about this report or need any additional information, please contact the Business Office.

## **BASIC FINANCIAL STATEMENTS**

**HOLT PUBLIC SCHOOLS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 13,717,151
Investments	50,410,714
Receivables	
Accounts receivable	11,184,980
Interest receivable	749,639
Inventories	129,961
Prepays	148,213
Net other postemployment benefits asset	14,729,330
Capital assets not being depreciated/amortized	4,024,208
Capital assets, net of accumulated depreciation/amortization	<u>110,782,312</u>
<b>TOTAL ASSETS</b>	<u><b>205,876,508</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	674,400
Related to pensions	25,549,763
Related to other postemployment benefits	<u>3,531,611</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>29,755,774</b></u>
<b>LIABILITIES</b>	
Accounts payable	1,989,795
Construction and retainage payable	6,032,715
Arbitrage rebate	763,000
Accrued interest	743,836
Accrued salaries and related items	4,253,894
Accrued retirement	1,785,015
Unearned revenue	2,118,114
Noncurrent liabilities	
Due within one year	5,892,551
Due in more than one year	111,459,465
Net pension liability	<u>85,107,329</u>
<b>TOTAL LIABILITIES</b>	<u><b>220,145,714</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions	25,631,596
Related to other postemployment benefits	19,467,686
Related to state aid funding for pensions	<u>4,527,493</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>49,626,775</b></u>
<b>NET POSITION</b>	
Net investment in capital assets	43,655,369
Restricted for debt service	2,591,479
Restricted for net other postemployment benefits	14,729,330
Unrestricted	<u>(95,116,385)</u>
<b>TOTAL NET POSITION</b>	<u><u><b>\$ (34,140,207)</b></u></u>

See notes to financial statements.



**HOLT PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 38,491,973	\$ 513,373	\$ 21,652,972	\$ (16,325,628)
Support services	29,228,771	1,037,541	3,363,392	(24,827,838)
Community services	1,312,038	1,074,824	29,514	(207,700)
Food services	3,026,242	262,361	3,375,154	611,273
Student/school activities	661,068	-	721,530	60,462
Interest on long-term debt	4,042,702	-	-	(4,042,702)
Total governmental activities	<u>\$ 76,762,794</u>	<u>\$ 2,888,099</u>	<u>\$ 29,142,562</u>	<u>(44,732,133)</u>
General revenues				
Property taxes, levied for general purposes				6,027,314
Property taxes, levied for debt service				9,231,470
Investment earnings				2,388,292
State sources - unrestricted				39,277,242
Intermediate sources				7,734,803
Other				<u>160,316</u>
Total general revenues				<u>64,819,437</u>
CHANGE IN NET POSITION				<u>20,087,304</u>
NET POSITION, beginning of year, as previously stated				(52,678,101)
Adjustment to beginning net position				<u>(1,549,410)</u>
NET POSITION, beginning of year, as restated				<u>(54,227,511)</u>
NET POSITION, end of year				<u>\$ (34,140,207)</u>

See notes to financial statements.

**HOLT PUBLIC SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	General Fund	Debt Service Fund	2021 B&S - Series I, II, and III	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,095,409	\$ 3,329,641	\$ 2,321,629	\$ 1,970,472	\$ 13,717,151
Investments	4,605,318	-	45,805,396	-	50,410,714
Receivables					
Interest receivable	-	-	749,639	-	749,639
Accounts receivable	11,144,333	5,674	-	34,973	11,184,980
Due from other funds	190,544	-	35,787	12,295	238,626
Inventories	-	-	-	129,961	129,961
Prepays	148,213	-	-	-	148,213
<b>TOTAL ASSETS</b>	<b>\$ 22,183,817</b>	<b>\$ 3,335,315</b>	<b>\$ 48,912,451</b>	<b>\$ 2,147,701</b>	<b>\$ 76,579,284</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 1,864,589	\$ -	\$ -	\$ 125,206	\$ 1,989,795
Construction and retainage payable	-	-	6,032,715	-	6,032,715
Accrued salaries and related items	4,248,992	-	-	4,902	4,253,894
Accrued retirement	1,785,015	-	-	-	1,785,015
Due to other funds	12,295	-	2,398	223,933	238,626
Unearned revenue	2,078,519	-	-	39,595	2,118,114
<b>TOTAL LIABILITIES</b>	<b>9,989,410</b>	<b>-</b>	<b>6,035,113</b>	<b>393,636</b>	<b>16,418,159</b>
<b>FUND BALANCES</b>					
Nonspendable					
Inventories	-	-	-	129,961	129,961
Prepays	148,213	-	-	-	148,213
Restricted for					
Debt service	-	3,335,315	-	-	3,335,315
Food service	-	-	-	876,739	876,739
Capital projects	-	-	42,877,338	-	42,877,338
Committed for					
Student / school activities	-	-	-	747,365	747,365
Carryover projects	407,188	-	-	-	407,188
Infrastructure	1,697,982	-	-	-	1,697,982
Assigned for					
Infrastructure	489,881	-	-	-	489,881
Unassigned	9,451,143	-	-	-	9,451,143
<b>TOTAL FUND BALANCES</b>	<b>12,194,407</b>	<b>3,335,315</b>	<b>42,877,338</b>	<b>1,754,065</b>	<b>60,161,125</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,183,817</b>	<b>\$ 3,335,315</b>	<b>\$ 48,912,451</b>	<b>\$ 2,147,701</b>	<b>\$ 76,579,284</b>

See notes to financial statements.

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

<b>Total governmental fund balances</b>	\$ 60,161,125
Amounts reported for governmental activities in the statement of: net position are different because	
Deferred outflows of resources - deferred charge on refunding	674,400
Deferred outflows of resources - related to pensions	25,549,763
Deferred outflows of resources - related to other postemployment benefits	3,531,611
Deferred inflows of resources - related to pensions	(25,631,596)
Deferred inflows of resources - related to other postemployment benefits	(19,467,686)
Deferred inflows of resources - related to state aid funding for pensions	(4,527,493)
Some assets are not current financial resources and therefore are not reported in the governmental funds balance sheet. Such noncurrent asset(s) at year-end consist of:	
Net other postemployment benefits asset	14,729,330
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
The cost of the capital assets is	\$ 212,547,618
Accumulated depreciation/amortization is	<u>(97,741,098)</u>
	114,806,520
Long-term liabilities are not due and payable in the current period and are not reported in the funds:	
Arbitrage rebate	(763,000)
General obligation bonds	(114,200,096)
Direct borrowing and direct placements	(502,793)
Compensated absences	(2,649,127)
Accrued interest	(743,836)
Net pension liability	<u>(85,107,329)</u>
<b>Net position of governmental activities</b>	<u><u>\$ (34,140,207)</u></u>

**HOLT PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2025**

	General Fund	Debt Service Fund	2021 B&S - Series I, II, and III	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Local sources					
Property taxes	\$ 6,027,314	\$ 9,231,470	\$ -	\$ -	\$ 15,258,784
Tuition	11,109	-	-	-	11,109
Investment earnings	293,959	123,857	2,285,788	12,688	2,716,292
Food sales	-	-	-	261,561	261,561
Athletics	254,897	-	-	-	254,897
Community services	2,359,732	-	-	-	2,359,732
Student/school activities	-	-	-	718,760	718,760
Other	159,778	538	-	3,570	163,886
Total local sources	9,106,789	9,355,865	2,285,788	996,579	21,745,021
State sources	60,733,102	-	-	581,202	61,314,304
Federal sources	1,148,657	-	-	2,793,952	3,942,609
Intermediate school districts	7,734,803	-	-	-	7,734,803
<b>TOTAL REVENUES</b>	<b>78,723,351</b>	<b>9,355,865</b>	<b>2,285,788</b>	<b>4,371,733</b>	<b>94,736,737</b>
<b>EXPENDITURES</b>					
Current					
Instruction	44,733,457	-	-	-	44,733,457
Supporting services	31,560,113	-	-	-	31,560,113
Food service activities	-	-	-	3,083,065	3,083,065
Student / school activities	-	-	-	661,068	661,068
Community service activities	1,379,530	-	-	-	1,379,530
Capital outlay	-	-	25,244,017	364,699	25,608,716
Debt service					
Principal repayment	395,321	4,755,000	-	-	5,150,321
Interest	89,657	3,973,281	-	-	4,062,938
Bond issuance cost	-	-	462,381	-	462,381
Other	-	5,235	-	-	5,235
<b>TOTAL EXPENDITURES</b>	<b>78,158,078</b>	<b>8,733,516</b>	<b>25,706,398</b>	<b>4,108,832</b>	<b>116,706,824</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>565,273</b>	<b>622,349</b>	<b>(23,420,610)</b>	<b>262,901</b>	<b>(21,970,087)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bond issuance	-	-	38,055,000	-	38,055,000
Premium on bond issuance	-	-	2,411,182	-	2,411,182
Transfers in	209,793	-	-	-	209,793
Transfers out	-	-	-	(209,793)	(209,793)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>209,793</b>	<b>-</b>	<b>40,466,182</b>	<b>(209,793)</b>	<b>40,466,182</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>775,066</b>	<b>622,349</b>	<b>17,045,572</b>	<b>53,108</b>	<b>18,496,095</b>
<b>FUND BALANCES</b>					
Beginning of year	11,419,341	2,712,966	25,831,766	1,700,957	41,665,030
End of year	\$ 12,194,407	\$ 3,335,315	\$ 42,877,338	\$ 1,754,065	\$ 60,161,125

See notes to financial statements.

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

**Net Change in Fund Balances Total Governmental Funds** **\$ 18,496,095**

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

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

Depreciation/amortization expense	(4,793,047)
Capital outlay	25,449,560
Loss on disposal of capital assets	(265,087)

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

Accrued interest payable, beginning of the year	491,978
Accrued interest payable, end of the year	(743,836)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences is the treatment of long-term debt and related items and are as follows:

Proceeds from bond issuance	(38,055,000)
Premium on bond issuance	(2,411,182)
Payments on bonded debt	4,910,000
Payments on notes from direct borrowing and direct placement	240,321
Amortization of deferred charges on refunding	(134,880)
Amortization of bond premium	803,940

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

Accrued compensated absences, beginning of the year, as restated	2,533,138
Accrued compensated absences, end of the year	(2,649,127)

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

Pension related items	8,360,035
Other postemployment benefits related items	5,741,035
Arbitrage rebate, beginning of the year	435,000
Arbitrage rebate, end of the year	(763,000)

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

State aid funding for pension, beginning of the year	6,968,854
State aid funding for pension, end of the year	(4,527,493)

<b>Change in net position of governmental activities</b>	<b>\$ 20,087,304</b>
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See notes to financial statements.

## HOLT PUBLIC SCHOOLS NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

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

#### Description of Government-wide Financial Statements

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

#### Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds (currently none), even though the latter are excluded from the government-wide financial statements.

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

#### Basis of Presentation - Fund Financial Statements

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

The District reports the following *Major Governmental Funds*:

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

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

The *2021 Building and Site - Series I, II, and III Fund* accounts for the receipt of debt proceeds and the acquisition of capital assets or construction of major capital projects. The *2021 Building and Site - Series I, II, and III Fund* includes capital project activities funded with bonds. For these capital projects, the school district has complied with the applicable provisions of §1351a of the Revised School Code. The fund is not yet considered substantially complete, and a subsequent year audit is expected.

**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation - Fund Financial Statements (continued)

*Major Governmental Funds (continued):*

The following is a summary of the cumulative revenue, other financing sources (uses), and expenditures for the *2021 Building and Site - Series I, II, and III Fund* activity:

Revenues and other financing sources	<u>\$ 105,318,764</u>
Expenditures and other financing uses	<u>\$ 62,441,426</u>

The above revenue and other financing sources figure does include \$26,838,341, \$33,775,480, and \$40,466,182 of bond proceeds and related premium from the series I, series II, and series III issuances, respectively.

The District reports the following *Nonmajor Funds*:

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Focus and Basis of Accounting (continued)

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

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

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

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

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

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

Budgetary Information

*Budgetary Basis of Accounting*

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



**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Budgetary Information (continued)

*Budgetary Basis of Accounting (continued)*

Appropriations in all budgeted funds lapse at the end of the fiscal year. Encumbrance accounting is employed in governmental funds. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year-end. The commitments will be re-appropriated and honored during the subsequent year.

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

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

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

*Cash and Cash Equivalents*

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

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

*Investments*

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

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

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

*Inventories and Prepaid Items*

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

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

**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

*Capital Assets*

Capital assets, which include land, construction in progress, building and improvements, furniture and equipment, buses, and other vehicles, and right to use - leased equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Group purchases are evaluated on a case-by-case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

<u>Capital Asset Classes</u>	<u>Lives</u>
Building and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Buses and other vehicles	5 - 15 years
Right to use - leased equipment	5 years

*Defined Benefit Plans*

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

*Deferred Outflows*

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

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

*Deferred Inflows*

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

*Net Position Flow Assumption*

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

*Fund Balance Flow Assumptions*

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

*Fund Balance Policies*

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

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

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

*Fund Balance Policies (continued)*

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

In the general fund, the goal of the District shall be to maintain a minimum fund balance of no less than 10% of the preceding year's expenditures.

*Leases and Subscription-based IT Arrangements (SBITA)*

Lessee/subscriber: At times, the District is a lessee for noncancelable leases/subscriptions of equipment and/or subscription-based IT arrangements. When significant, the District recognizes a lease/SBITA liability and an intangible right-to-use lease/subscription asset in the government-wide financial statements. The District recognizes lease/SBITA liabilities with an initial, individual value that it considers significant to the government-wide financial statements, or with annual lease payments that are considered significant to the fund in which they are accounted for.

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

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

- The District uses the interest rate charged by the lessor/SBITA vendor as the discount rate. When the interest rate charged by the lessor/SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases/SBITAs.
- The lease/subscription term includes the noncancelable period of the lease/subscription. Lease/subscription payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term obligations in the statement of net position.

**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenues and Expenditures/Expenses

*Program Revenues*

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

*Property Taxes*

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

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

Fund	Mills
General Fund	
Non-Principal Residence Exemption (PRE)	18.0000
Commercial Personal Property (CPP)	6.0000
Debt Service Fund	
PRE, Industrial Personal Property, Non-PRE, CPP	8.2300

*Compensated Absences*

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

*Long-term Obligations*

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

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

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

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

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned. As of June 30, 2025, \$13,255,830 of the District's bank balance of \$13,874,859 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was \$13,717,151.

Custodial Credit Risk - Investments

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

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

Interest Rate Risk

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
MILAF External Investment Pool - CMC	\$ 19,323,034	N/A
MILAF External Investment Pool - MAX	4,087,680	N/A
MILAF External Investment Pool - TERM	<u>27,000,000</u>	0.2709
Total fair value	<u><u>\$ 50,410,714</u></u>	
Portfolio weighted average maturity		<u><u>0.2709</u></u>

One day maturity equals 0.0027, one year equals 1.00.

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

Concentration of Credit Risk

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

Investment Type	Fair Value	Rating	Rating Agency
MILAF External Investment Pool - CMC	\$ 19,323,034	AAAm	Standard & Poor's
MILAF External Investment Pool - MAX	4,087,680	AAAm	Standard & Poor's
MILAF External Investment Pool - TERM	27,000,000	AAAf	Fitch
Total	<u>\$ 50,410,714</u>		

Foreign Currency Risk

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

Fair Value Measurement

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

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

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

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

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

At June 30, 2025, the District does not have any investments subject to fair value measurement.



**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

Fair Value Measurement (continued)

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

	<u>Amortized Cost</u>
MILAF External Investment Pool - CMC	\$ 19,323,034
MILAF External Investment Pool - MAX	<u>4,087,680</u>
	<u><u>\$ 23,410,714</u></u>

Investments in Entities that Calculate Net Asset Value per Share

The District holds shares or interests in the Michigan Liquid Asset Fund (MILAF) Term Series, where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The MILAF Term Series includes investments that the District does not control. The investment pool invests primarily in high-quality money market instruments, including certificates of deposit, commercial paper, and U.S. government and agency obligations, to protect the investment principal and provide liquidity.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
MILAF External Investment Pool - TERM	<u>\$ 27,000,000</u>	<u>\$ -</u>	No restrictions	None

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

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

	<u>Primary Government</u>
Cash and cash equivalents	\$ 13,717,151
Investments	<u>50,410,714</u>
	<u><u>\$ 64,127,865</u></u>

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - ACCOUNTS RECEIVABLES**

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

	<u>Government- wide</u>
State aid	\$ 10,327,067
Federal revenue	719,817
Other	<u>138,096</u>
	<u><u>\$ 11,184,980</u></u>

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

**NOTE 4 - CAPITAL ASSETS**

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

	<u>Balance July 1, 2024</u>	<u>Additions/ Reclassification</u>	<u>Deletions/ Reclassification</u>	<u>Balance June 30, 2025</u>
Capital assets not being depreciated/amortized				
Land	\$ 1,566,242	\$ -	\$ -	\$ 1,566,242
Construction in progress	<u>8,419,695</u>	<u>2,457,966</u>	<u>8,419,695</u>	<u>2,457,966</u>
Total assets not being depreciated/amortized	<u>9,985,937</u>	<u>2,457,966</u>	<u>8,419,695</u>	<u>4,024,208</u>
Capital assets being depreciated/amortized				
Building and improvements	155,165,006	29,226,415	2,041,097	182,350,324
Furniture and equipment	20,049,604	2,043,546	48,511	22,044,639
Buses and other vehicles	2,835,413	141,328	53,985	2,922,756
Right to use - leased equipment	<u>1,205,691</u>	<u>-</u>	<u>-</u>	<u>1,205,691</u>
Subtotal	<u>179,255,714</u>	<u>31,411,289</u>	<u>2,143,593</u>	<u>208,523,410</u>
Accumulated depreciation/amortization				
Building and improvements	75,590,326	3,439,325	1,782,813	77,246,838
Furniture and equipment	16,987,930	920,264	47,607	17,860,587
Buses and other vehicles	1,766,025	192,320	48,086	1,910,259
Right to use - leased equipment	<u>482,276</u>	<u>241,138</u>	<u>-</u>	<u>723,414</u>
Total accumulated depreciation/amortization	<u>94,826,557</u>	<u>4,793,047</u>	<u>1,878,506</u>	<u>97,741,098</u>
Net capital assets being depreciated/amortized	<u>84,429,157</u>	<u>26,618,242</u>	<u>265,087</u>	<u>110,782,312</u>
Net governmental capital assets	<u><u>\$ 94,415,094</u></u>	<u><u>\$ 29,076,208</u></u>	<u><u>\$ 8,684,782</u></u>	<u><u>\$ 114,806,520</u></u>

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS (continued)**

Depreciation/amortization expense was charged to programs of the primary government as follows:

Instruction	\$ 2,507,930
Support services	2,014,481
Community services	77,342
Food service	<u>193,294</u>
	<u><u>\$ 4,793,047</u></u>

**NOTE 5 - NOTES PAYABLE - STATE AID ANTICIPATION NOTE**

Activity for the year ended June 30, 2025 is as follows:

Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>

The District does not anticipate the need to execute a state aid anticipation note for the fiscal year ended June 30, 2026.

**NOTE 6 - LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligations for the District for the year ended June 30, 2025:

	General Obligation Bonds	Direct Borrowing and Direct Placement	Compensated Absences*	Total
Balance July 1, 2024, as restated	\$ 79,447,854	\$ 743,114	\$ 2,533,138	\$ 82,724,106
Additions	40,466,182	-	115,989	40,582,171
Deletions	<u>(5,713,940)</u>	<u>(240,321)</u>	<u>-</u>	<u>(5,954,261)</u>
Balance June 30, 2025	114,200,096	502,793	2,649,127	117,352,016
Due within one year	<u>(5,480,000)</u>	<u>(247,631)</u>	<u>(164,920)</u>	<u>(5,892,551)</u>
Due in more than one year	<u>\$ 108,720,096</u>	<u>\$ 255,162</u>	<u>\$ 2,484,207</u>	<u>\$ 111,459,465</u>

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

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM OBLIGATIONS (continued)**

Long-term obligations at June 30, 2025 are comprised of the following issues:

General Obligation Bonds

2019 Refunding bonds due in annual installments of \$3,300,000 to \$3,475,000 through May 1, 2030, with an interest rate of 5.00%.	\$ 17,030,000
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2021 Building and Site bonds (Series I) due in annual installments of \$1,075,000 to \$1,500,000 through May 1, 2046, with interest rates ranging from 2.00% to 5.00%.	20,735,000
--	------------

2021 Energy Conservation and Improvement bonds due in annual installments of \$160,000 to \$225,000 through May 1, 2033, with interest rates ranging from 3.00% to 5.00%.	1,530,000
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2023 Building and Site bonds (Series II) due in annual installments of \$1,050,000 to \$3,560,000 through May 1, 2048, with interest rates ranging from 4.00% to 5.00%.	29,380,000
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2024 Building and Site bonds (Series III) due in annual installments of \$500,000 to \$4,935,000 through May 1, 2050, with interest rates ranging from 4.00% to 5.00%.	38,055,000
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Plus issuance premium	<div style="border-top: 1px solid black;">7,470,096</div>
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Total general obligation bonds	114,200,096
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Direct Borrowing and Direct Placement

Copier lease due in monthly installments of \$21,611 through June 1, 2027, with a stated interest rate of 3.00%.	<div style="border-top: 1px solid black;">502,793</div>
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Total general obligation bonds and direct borrowing and direct placement	114,702,889
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Compensated absences	<div style="border-top: 1px solid black;">2,649,127</div>
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Total general long-term obligations	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 117,352,016</div>
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The District's outstanding notes from direct borrowings and direct placement related to governmental activities of \$502,793 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM OBLIGATIONS (continued)**

The District has defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2025, \$18,115,000 of bonds outstanding are considered defeased.

The annual requirements to amortize long-term obligations outstanding, exclusive of compensated absences payments as of June 30, 2025, are as follows:

Year Ending June 30,	General Obligation Bonds		Direct Borrowing and Direct Placement		Compensated Absences	Total
	Principal	Interest	Principal	Interest		
2026	\$ 5,480,000	\$ 4,463,018	\$ 247,631	\$ 11,697	\$ -	\$ 10,202,346
2027	6,155,000	4,190,618	255,162	4,165	-	10,604,945
2028	3,615,000	3,884,518	-	-	-	7,499,518
2029	3,660,000	3,703,768	-	-	-	7,363,768
2030	3,640,000	3,520,768	-	-	-	7,160,768
2031 - 2035	18,115,000	15,024,744	-	-	-	33,139,744
2036 - 2040	20,105,000	11,072,945	-	-	-	31,177,945
2041 - 2045	23,945,000	6,979,029	-	-	-	30,924,029
2046 - 2050	22,015,000	2,206,551	-	-	-	24,221,551
	106,730,000	55,045,959	502,793	15,862	-	162,294,614
Issuance premium	7,470,096	-	-	-	-	7,470,096
Compensated absences	-	-	-	-	2,649,127	2,649,127
	<u>\$ 114,200,096</u>	<u>\$ 55,045,959</u>	<u>\$ 502,793</u>	<u>\$ 15,862</u>	<u>\$ 2,649,127</u>	<u>\$ 172,413,837</u>

Interest expense (all funds) for the year ended June 30, 2025 was approximately \$4,063,000.

The District has approximately \$3,335,000 in the debt service fund restricted for servicing the debt obligations.

**NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES**

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

Receivable Fund		Payable Fund	
General fund	\$ 190,544	General fund	\$ 12,295
2021 B&S - Series I, II, and III Fund	35,787	2021 B&S - Series I, II, and III Fund	2,398
Nonmajor funds	<u>12,295</u>	Nonmajor funds	<u>223,933</u>
	<u>\$ 238,626</u>		<u>\$ 238,626</u>

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

## **HOLT PUBLIC SCHOOLS NOTES TO FINANCIAL STATEMENTS**

### **NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS**

#### Plan Description

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

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

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

#### Benefits Provided - Overall

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

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

#### Benefits Provided - Pension

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

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

**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Pension Reform 2010

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

Pension Reform 2012

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

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

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

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

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

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

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

**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Pension Reform 2012 (continued)

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

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

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

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

Pension Reform of 2017

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

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

Pension Reform of 2023

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



**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

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

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

Member Contributions

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

# **HOLT PUBLIC SCHOOLS** **NOTES TO FINANCIAL STATEMENTS**

## **NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

### Employer Contributions

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

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

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

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

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

The District's pension contributions for the year ended June 30, 2025 were equal to the required contribution total. Total pension contributions were approximately \$15,390,000. Of the total pension contributions approximately \$14,879,000 was contributed to fund the Defined Benefit Plan and approximately \$511,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2025 were equal to the required contribution total. Total OPEB contributions were approximately \$496,000. Of the total OPEB contributions approximately \$191,000 was contributed to fund the Defined Benefit Plan and approximately \$305,000 was contributed to fund the Defined Contribution Plan.

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

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

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

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

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

<u>MPSERS (Plan) Non-university Employers</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Total Pension Liability	\$ 95,765,499,515	\$ 94,947,828,557
Plan Fiduciary Net Position	\$ 71,283,482,728	\$ 62,581,762,238
Net Pension Liability	\$ 24,482,016,787	\$ 32,366,066,319
Proportionate Share	0.34763%	0.35071%
Net Pension Liability for the District	\$ 85,107,329	\$ 113,509,630

For the year ended June 30, 2025, the District recognized pension expense of \$6,518,539.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual pension plan investment earnings	\$ -	\$ (16,242,086)
Differences between expected and actual experience	2,309,022	(924,703)
Changes in proportion and differences between employer contributions and proportionate share of contributions	848,686	(2,229,131)
Changes of assumptions	8,872,944	(6,235,676)
Reporting Unit's contributions subsequent to the measurement date	<u>13,519,111</u>	<u>-</u>
	<u>\$ 25,549,763</u>	<u>\$ (25,631,596)</u>

\$13,519,111, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

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

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

Year Ending June 30,	Amount
2026	\$ (3,314,341)
2027	233,299
2028	(6,174,094)
2029	(4,345,808)

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

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

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

MPERS (Plan) Non-university Employers	September 30, 2024	September 30, 2023
Total other postemployment benefits liability	\$ 9,991,545,923	\$ 11,223,648,949
Plan fiduciary net position	\$ 14,295,943,589	\$ 11,789,347,341
Net other postemployment benefits asset	\$ (4,304,397,666)	\$ (565,698,392)
Proportionate share	0.34219%	0.35350%
Net other postemployment benefits asset for the District	\$ (14,729,330)	\$ (1,999,739)

For the year ended June 30, 2025, the District recognized OPEB benefit of \$5,549,632.

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual other postemployment benefits plan investment earnings	\$ -	\$ (2,788,431)
Differences between expected and actual experience	-	(15,608,591)
Changes in proportion and differences between employer contributions and proportionate share of contributions	247,832	(700,885)
Changes of assumptions	3,217,098	(369,779)
Reporting Unit's contributions subsequent to the measurement date	66,681	-
	<u>\$ 3,531,611</u>	<u>\$ (19,467,686)</u>

\$66,681, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

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

Year Ending June 30,	Amount
2026	\$ (5,143,408)
2027	(3,168,660)
2028	(3,116,537)
2029	(2,764,409)
2030	(1,517,591)
2031	(292,151)

**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Actuarial Assumptions

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

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

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

**Inflation** - 3.0%.

**Mortality Assumptions -**

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

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

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

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

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

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

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

**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Actuarial Assumptions (continued)

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

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

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

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

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

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

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

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

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

**HOLT PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Actuarial Assumptions (continued)

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

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

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	\$ 124,768,259	\$ 85,107,329	\$ 52,081,974

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

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	\$ (11,382,948)	\$ (14,729,330)	\$ (17,622,631)

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

	Other Postemployment Benefits		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	\$ (17,622,662)	\$ (14,729,330)	\$ (11,626,247)



**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Pension and OPEB Plan Fiduciary Net Position

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

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

**NOTE 9 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The District participates in two distinct pools of educational institutions within the State of Michigan for self-insuring property and casualty and workers' disability compensation. The pools are considered public entity risk pools. The District pays annual premiums under a retrospectively rated policy to the pools for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The workers' compensation pool and the property casualty pool maintain reinsurance for claims generally in excess of \$500,000 for each occurrence with the overall maximum coverage varying depending on the specific type coverage of reinsurance.

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

**NOTE 10 - TRANSFERS**

During the year, the food service fund transferred \$209,793 to the general fund for indirect cost reimbursement.

**NOTE 11 - CONTINGENT LIABILITIES**

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

**NOTE 12 - COMMITMENTS**

The District has active capital projects outstanding at June 30, 2025. The District has \$42,877,338 recorded as restricted fund balance in the 2021 building and site - series I, II, and III fund.

**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 13 - TAX ABATEMENTS**

The District is required to disclose significant tax abatements as required by GASB Statement 77 (*Tax Abatements*).

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

<u>Municipality</u>	<u>Taxes Abated</u>
Delhi Charter Township	<u>\$ 926,290</u>

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

There are no abatements made by the District.

**NOTE 14 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

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

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

**HOLT PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 14 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)**

- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

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

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

**NOTE 15 - CHANGE IN ACCOUNTING PRINCIPLE**

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

**Summary:**

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

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

	<u>Governmental Activities</u>
Net position as of July 1, 2024, as previously stated	\$ (52,678,101)
Change in accounting principle (GASB 101)	<u>(1,549,410)</u>
Net position as of July 1, 2024, as restated	<u><u>\$ (54,227,511)</u></u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**HOLT PUBLIC SCHOOLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local sources	\$ 8,108,600	\$ 8,643,150	\$ 9,106,789	\$ 463,639
State sources	57,997,949	60,479,128	60,733,102	253,974
Federal sources	793,514	1,253,336	1,148,657	(104,679)
Intermediate school districts	7,016,896	7,717,685	7,734,803	17,118
<b>TOTAL REVENUES</b>	<b>73,916,959</b>	<b>78,093,299</b>	<b>78,723,351</b>	<b>630,052</b>
<b>EXPENDITURES</b>				
Current				
Instruction				
Basic programs	32,829,959	33,797,370	32,971,126	826,244
Added needs	11,883,396	11,394,556	11,762,331	(367,775)
<b>Total instruction</b>	<b>44,713,355</b>	<b>45,191,926</b>	<b>44,733,457</b>	<b>458,469</b>
Supporting services				
Pupil	5,733,516	6,130,333	6,085,911	44,422
Instructional staff	5,052,428	5,628,454	6,295,072	(666,618)
General administration	655,617	663,511	662,312	1,199
School administration	3,916,474	4,024,384	4,039,571	(15,187)
Business	829,725	913,929	910,979	2,950
Operation/maintenance	7,456,340	8,101,231	8,008,718	92,513
Pupil transportation	2,024,191	2,089,972	1,971,939	118,033
Central	2,067,467	2,414,364	2,465,772	(51,408)
Athletics	1,203,768	1,260,647	1,119,839	140,808
<b>Total supporting services</b>	<b>28,939,526</b>	<b>31,226,825</b>	<b>31,560,113</b>	<b>(333,288)</b>
Community services	1,420,971	1,492,785	1,379,530	113,255
Debt service				
Principal repayment	225,000	415,000	395,321	19,679
Interest	155,000	70,650	89,657	(19,007)
<b>Total debt service</b>	<b>380,000</b>	<b>485,650</b>	<b>484,978</b>	<b>672</b>
<b>TOTAL EXPENDITURES</b>	<b>75,453,852</b>	<b>78,397,186</b>	<b>78,158,078</b>	<b>239,108</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,536,893)</b>	<b>(303,887)</b>	<b>565,273</b>	<b>869,160</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	155,000	240,000	209,793	(30,207)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,381,893)</b>	<b>\$ (63,887)</b>	<b>775,066</b>	<b>\$ 838,953</b>
<b>FUND BALANCE</b>				
Beginning of year			11,419,341	
End of year			<b>\$ 12,194,407</b>	

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Reporting Unit's proportion of net pension liability (%)	0.34763%	0.35071%	0.34611%	0.35496%	0.35253%	0.35422%	0.35860%	0.35814%	0.35427%	0.35751%
Reporting Unit's proportionate share of net pension liability	\$ 85,107,329	\$ 113,509,630	\$ 130,167,903	\$ 84,039,416	\$ 121,098,144	\$ 117,307,298	\$ 107,802,731	\$ 92,809,234	\$ 88,386,461	\$ 87,322,218
Reporting Unit's covered-employee payroll	\$ 36,108,806	\$ 35,396,735	\$ 33,781,118	\$ 32,025,575	\$ 31,292,487	\$ 30,725,572	\$ 30,454,316	\$ 30,153,862	\$ 29,775,976	\$ 29,779,615
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	235.70%	320.68%	385.33%	262.41%	386.99%	381.79%	353.98%	307.79%	296.84%	293.23%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required pension contributions	\$ 14,878,574	\$ 14,250,895	\$ 15,955,978	\$ 11,594,435	\$ 10,368,074	\$ 9,508,311	\$ 9,463,645	\$ 9,188,979	\$ 8,368,719	\$ 8,270,397
Pension contributions in relation to statutorily required contributions	<u>14,878,574</u>	<u>14,250,895</u>	<u>15,955,978</u>	<u>11,594,435</u>	<u>10,368,074</u>	<u>9,508,311</u>	<u>9,463,645</u>	<u>9,188,979</u>	<u>8,368,719</u>	<u>8,270,397</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll (pension)	\$ 36,919,935	\$ 35,955,974	\$ 35,193,303	\$ 33,581,074	\$ 31,152,988	\$ 31,441,425	\$ 30,591,845	\$ 30,369,225	\$ 29,925,467	\$ 29,684,961
Pension contributions as a percentage of covered-employee payroll	40.30%	39.63%	45.34%	34.53%	33.28%	30.24%	30.94%	30.26%	27.97%	27.86%

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

	2024	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net other postemployment benefits liability/asset (%)	0.34219%	0.35350%	0.34895%	0.35618%	0.35421%	0.35173%	0.35811%	0.35764%
Reporting Unit's proportionate share of net other postemployment benefits liability (asset)	\$ (14,729,330)	\$ (1,999,739)	\$ 7,390,874	\$ 5,436,643	\$ 18,976,111	\$ 25,246,460	\$ 28,465,607	\$ 31,670,737
Reporting Unit's covered-employee payroll	\$ 36,108,806	\$ 35,396,735	\$ 33,781,118	\$ 32,025,575	\$ 31,292,487	\$ 30,725,572	\$ 30,454,316	\$ 30,153,862
Reporting Unit's proportionate share of net other postemployment benefits liability/asset as a percentage of its covered-employee payroll	40.79%	5.65%	21.88%	16.98%	60.64%	82.17%	93.47%	105.03%
Plan fiduciary net position as a percentage of total other postemployment benefits liability (Non-university employers)	143.08%	105.04%	83.09%	87.33%	59.76%	48.46%	42.95%	36.39%

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



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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required other postemployment benefits contributions	\$ 191,403	\$ 2,999,982	\$ 2,903,440	\$ 2,794,470	\$ 2,734,993	\$ 2,661,719	\$ 2,402,997	\$ 2,193,486
Other postemployment benefits contributions in relation to statutorily required contributions	<u>191,403</u>	<u>2,999,982</u>	<u>2,903,440</u>	<u>2,794,470</u>	<u>2,734,993</u>	<u>2,661,719</u>	<u>2,402,997</u>	<u>2,193,486</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll (OPEB)	\$ 36,919,935	\$ 35,955,974	\$ 35,193,303	\$ 33,581,074	\$ 31,152,988	\$ 31,441,425	\$ 30,591,845	\$ 30,369,225
Other post employment benefit contributions as a percentage of covered-employee payroll	0.52%	8.34%	8.25%	8.32%	8.78%	8.47%	7.86%	7.22%

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

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

**NOTE 1 - PENSION INFORMATION**

Benefit Changes

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

Changes in Assumptions

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

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

**NOTE 2 - OPEB INFORMATION**

Benefit Changes

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

Changes in Assumptions

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

- 2024 - The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage points for members over 65.
- 2023 - The health care cost trend rate used in the September 30, 2022, actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

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

**NOTE 2 - OPEB INFORMATION (continued)**

Changes in Assumptions (continued)

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

## **ADDITIONAL SUPPLEMENTARY INFORMATION**

**HOLT PUBLIC SCHOOLS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUND TYPES  
JUNE 30, 2025**

	Special Revenue		Total Nonmajor Funds
	Food Service	Student/School Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,212,879	\$ 757,593	\$ 1,970,472
Accounts receivable	34,973	-	34,973
Due from other funds	10,971	1,324	12,295
Inventories	129,961	-	129,961
<b>TOTAL ASSETS</b>	<b>\$ 1,388,784</b>	<b>\$ 758,917</b>	<b>\$ 2,147,701</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 119,200	\$ 6,006	\$ 125,206
Accrued salaries and related items	4,902	-	4,902
Due to other funds	218,387	5,546	223,933
Unearned revenue	39,595	-	39,595
<b>TOTAL LIABILITIES</b>	<b>382,084</b>	<b>11,552</b>	<b>393,636</b>
<b>FUND BALANCES</b>			
Nonspendable			
Inventories	129,961	-	129,961
Restricted	876,739	-	876,739
Committed	-	747,365	747,365
<b>TOTAL FUND BALANCES</b>	<b>1,006,700</b>	<b>747,365</b>	<b>1,754,065</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,388,784</b>	<b>\$ 758,917</b>	<b>\$ 2,147,701</b>

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

	Special Revenue		Total
	Food Service	Student/School Activities	Nonmajor Funds
REVENUES			
Food sales	\$ 261,561	\$ -	\$ 261,561
Student/school activities	-	718,760	718,760
State sources	581,202	-	581,202
Federal sources	2,793,952	-	2,793,952
Investment earnings	12,447	241	12,688
Other	800	2,770	3,570
TOTAL REVENUES	3,649,962	721,771	4,371,733
EXPENDITURES			
Current			
Salaries	875,391	-	875,391
Benefits	509,405	-	509,405
Purchased services	95,755	-	95,755
Supplies and materials	88,692	-	88,692
Food purchases	942,128	-	942,128
Donated commodities	510,844	-	510,844
Student/school activities	-	658,268	658,268
Other expenses	60,850	2,800	63,650
Capital outlay	364,699	-	364,699
TOTAL EXPENDITURES	3,447,764	661,068	4,108,832
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	202,198	60,703	262,901
OTHER FINANCING USES			
Transfers out	(209,793)	-	(209,793)
NET CHANGE IN FUND BALANCES	(7,595)	60,703	53,108
FUND BALANCES			
Beginning of year	1,014,295	686,662	1,700,957
End of year	\$ 1,006,700	\$ 747,365	\$ 1,754,065

**HOLT PUBLIC SCHOOLS  
BONDED DEBT  
JUNE 30, 2025**

2019 Refunding bonds.

Principal Due May 1	Interest Due		Debt Service Requirement for Fiscal Year	
	May 1	November 1	June 30,	Amount
\$ 3,300,000	\$ 425,750	\$ 425,750	2026	\$ 4,151,500
3,375,000	343,250	343,250	2027	4,061,500
3,440,000	258,875	258,875	2028	3,957,750
3,475,000	172,875	172,875	2029	3,820,750
3,440,000	86,000	86,000	2030	3,612,000
<u>\$ 17,030,000</u>	<u>\$ 1,286,750</u>	<u>\$ 1,286,750</u>		<u>\$ 19,603,500</u>

**HOLT PUBLIC SCHOOLS  
BONDED DEBT  
JUNE 30, 2025**

2021 Building and site bonds - Series I.

Principal Due May 1	Interest Due		Debt Service Requirement for Fiscal Year	
	May 1	November 1	June 30,	Amount
\$ -	\$ 258,634	\$ 258,634	2026	\$ 517,268
-	258,634	258,634	2027	517,268
-	258,634	258,634	2028	517,268
-	258,634	258,634	2029	517,268
-	258,634	258,634	2030	517,268
1,075,000	258,634	258,634	2031	1,592,268
1,115,000	231,760	231,759	2032	1,578,519
1,145,000	209,460	209,459	2033	1,563,919
1,175,000	192,285	192,284	2034	1,559,569
1,210,000	174,660	174,659	2035	1,559,319
1,240,000	156,510	156,509	2036	1,553,019
1,265,000	144,110	144,109	2037	1,553,219
1,290,000	131,460	131,459	2038	1,552,919
1,315,000	118,560	118,559	2039	1,552,119
1,340,000	105,410	105,409	2040	1,550,819
1,360,000	92,010	92,009	2041	1,544,019
1,385,000	78,410	78,409	2042	1,541,819
1,410,000	63,695	63,694	2043	1,537,389
1,440,000	48,713	48,712	2044	1,537,425
1,470,000	33,414	33,413	2045	1,536,827
1,500,000	16,876	16,875	2046	1,533,751
<u>\$ 20,735,000</u>	<u>\$ 3,349,137</u>	<u>\$ 3,349,122</u>		<u>\$ 27,433,259</u>



**HOLT PUBLIC SCHOOLS  
BONDED DEBT  
JUNE 30, 2025**

2021 Energy conservation and improvement bonds.

Principal Due May 1	Interest Due		Debt Service Requirement for Fiscal Year	
	May 1	November 1	June 30,	Amount
\$ 160,000	\$ 32,225	\$ 32,225	2026	\$ 224,450
165,000	29,025	29,025	2027	223,050
175,000	25,725	25,725	2028	226,450
185,000	21,350	21,350	2029	227,700
200,000	16,725	16,725	2030	233,450
205,000	11,725	11,725	2031	228,450
215,000	6,600	6,600	2032	228,200
225,000	3,375	3,375	2033	231,750
<u>\$ 1,530,000</u>	<u>\$ 146,750</u>	<u>\$ 146,750</u>		<u>\$ 1,823,500</u>

**HOLT PUBLIC SCHOOLS  
BONDED DEBT  
JUNE 30, 2025**

2023 Building and site bonds - Series II.

Principal Due May 1	Interest Due		Debt Service Requirement for Fiscal Year	
	May 1	November 1	June 30,	Amount
\$ -	\$ 637,350	\$ 637,350	2026	\$ 1,274,700
-	637,350	637,350	2027	1,274,700
-	637,350	637,350	2028	1,274,700
-	637,350	637,350	2029	1,274,700
-	637,350	637,350	2030	1,274,700
1,050,000	637,350	637,350	2031	2,324,700
1,100,000	611,100	611,100	2032	2,322,200
1,160,000	583,600	583,600	2033	2,327,200
1,220,000	554,600	554,600	2034	2,329,200
1,275,000	524,100	524,100	2035	2,323,200
1,320,000	492,225	492,225	2036	2,304,450
1,380,000	459,225	459,225	2037	2,298,450
1,445,000	424,725	424,725	2038	2,294,450
1,510,000	388,600	388,600	2039	2,287,200
1,565,000	358,400	358,400	2040	2,281,800
1,635,000	327,100	327,100	2041	2,289,200
1,700,000	294,400	294,400	2042	2,288,800
1,765,000	260,400	260,400	2043	2,285,800
1,835,000	225,100	225,100	2044	2,285,200
1,910,000	188,400	188,400	2045	2,286,800
1,975,000	150,200	150,200	2046	2,275,400
3,560,000	110,700	110,700	2047	3,781,400
1,975,000	39,500	39,500	2048	2,054,000
<u>\$ 29,380,000</u>	<u>\$ 9,816,475</u>	<u>\$ 9,816,475</u>		<u>\$ 49,012,950</u>

**HOLT PUBLIC SCHOOLS  
BONDED DEBT  
JUNE 30, 2025**

2024 Building and site bonds - Series III.

Principal Due May 1	Interest Due		Debt Service Requirement for Fiscal Year	
	May 1	November 1	June 30,	Amount
\$ 2,020,000	\$ 877,550	\$ 877,550	2026	\$ 3,775,100
2,615,000	827,050	827,050	2027	4,269,100
-	761,675	761,675	2028	1,523,350
-	761,675	761,675	2029	1,523,350
-	761,675	761,675	2030	1,523,350
1,165,000	761,675	761,675	2031	2,688,350
1,185,000	732,550	732,550	2032	2,650,100
1,190,000	702,925	702,925	2033	2,595,850
1,215,000	673,175	673,175	2034	2,561,350
1,190,000	642,800	642,800	2035	2,475,600
1,180,000	613,050	613,050	2036	2,406,100
1,230,000	583,550	583,550	2037	2,397,100
1,285,000	552,800	552,800	2038	2,390,600
1,340,000	520,675	520,675	2039	2,381,350
1,400,000	487,175	487,175	2040	2,374,350
1,460,000	452,175	452,175	2041	2,364,350
1,530,000	415,675	415,675	2042	2,361,350
1,605,000	377,425	377,425	2043	2,359,850
1,680,000	337,300	337,300	2044	2,354,600
1,760,000	295,300	295,300	2045	2,350,600
1,845,000	260,100	260,100	2046	2,365,200
1,960,000	223,200	223,200	2047	2,406,400
3,765,000	184,000	184,000	2048	4,133,000
4,935,000	108,700	108,700	2049	5,152,400
500,000	10,000	10,000	2050	520,000
<u>\$ 38,055,000</u>	<u>\$ 12,923,875</u>	<u>\$ 12,923,875</u>		<u>\$ 63,902,750</u>



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

To the Board of Education of  
Holt Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Holt Public Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Holt Public Schools' basic financial statements, and have issued our report thereon dated October 22, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

## **Purpose of This Report**

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

October 22, 2025