Roseville Community Schools

Financial Report
with Supplementary Information
June 30, 2026

Roseville Community Schools

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Independent Auditor's Report

To the Board of Education
Roseville Community Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Roseville Community Schools (the "School District") as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise Roseville Community Schools' basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 Roseville Community Schools as of June 30, 2026 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for 12 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 GAAS 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.

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In performing an audit in accordance with GAAS 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 the School District's 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 the School District's 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, which 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 Roseville Community Schools' basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Education
Roseville Community Schools

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2026 on our consideration of Roseville Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Roseville Community 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 Roseville Community Schools' internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 20, 2026

This section of Roseville Community Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2026. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Roseville Community Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds, the General Fund and the 2026 Capital Projects Fund, with all other funds presented in one column as nonmajor funds. The fiduciary statements present financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. This report is composed of the following elements:

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

Schedule of Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

Schedule of Proportionate Share of the Net OPEB Liability (Asset)

Schedule of OPEB Contributions

Notes to Required Supplementary Information

Supplementary Information

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

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

These two statements report the School District's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

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

Reporting the School District's Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes other funds to help it control and manage money for particular purposes (the Food Service Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects).

Governmental Funds

Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

Fiduciary Funds

The School District has certain fiduciary responsibilities for its custodial fund. All of the School District's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Overall Financial Summary

Recall that the statement of net position provides the perspective of the School District as a whole. The following table provides a summary of the School District's net position as of June 30, 2026 and 2025:

	Governmental Activities	
	2026	2025
	(in millions)	
Assets		
Current and other assets	$ 128.0	$ 58.0
Capital assets	102.4	105.8
Total assets	230.4	163.8
Deferred Outflows of Resources	21.7	28.5
Liabilities		
Current liabilities	14.5	13.1
Noncurrent liabilities	147.0	91.9
Net pension liability	61.2	76.0
Total liabilities	222.7	181.0
Deferred Inflows of Resources	41.3	44.7
Net Position (Deficit)		
Net investment in capital assets	27.7	23.7
Restricted	21.2	15.3
Unrestricted	(60.8)	(72.4)
Total net position (deficit)	**$ (11.9)**	**$ (33.4)**

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was $(11.9) million at June 30, 2026. Net investment in capital assets totaling $27.7 million compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position ($(60.8) million) was unrestricted.

The $(60.8) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact from adoption of GASB Statement No. 68 (recording the School District's share of the net pension liability from the state-managed retirement system). Unrestricted net position, when available, would enable the School District to meet working capital and cash flow requirements, as well as to provide for future uncertainties. The operating results of the General Fund and the change in the net pension liability will have significant impacts on the change in unrestricted net position from year to year.

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2026 and 2025:

	Governmental Activities	
	2026	2025
	(in millions)	
Revenue		
Program revenue:		
Charges for services	$ 0.5	$ 0.4
Operating grants	32.8	31.8
General revenue:		
Taxes	23.3	22.0
State aid not restricted to specific purposes	31.6	30.5
Other	2.1	2.2
Total revenue	90.3	86.9
Expenses		
Instruction	34.6	34.1
Support services	27.8	26.3
Athletics	0.3	0.3
Food services	2.5	2.6
Community services	0.3	0.3
Debt service	3.3	2.7
Total expenses	68.8	66.3
Change in Net Position	21.5	20.6
Net Position (Deficit) - Beginning of year	(33.4)	(56.0)
Cumulative Effect of Change in Accounting	-	2.0
Net Position (Deficit) - Beginning of year, as restated	(33.4)	(54.0)
Net Position (Deficit) - End of year	**$ (11.9)**	**$ (33.4)**

As reported in the statement of activities, the cost of all of our governmental activities this year was $68.8 million. Certain activities were partially funded from those who benefited from the programs ($0.5 million) or by other governments and organizations that subsidized certain programs with grants and contributions ($32.8 million). We paid for the remaining public benefit portion of our governmental activities with $23.3 million in taxes, $31.6 million in state foundation allowance, and other revenue.

The School District experienced an increase in net position of $21.5 million. The increase was primarily attributable to favorable pension- and OPEB-related accounting adjustments.

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of the School District's operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

Financial Summary of Individual Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of $96.2 million, which is an increase of $64.2 million from last year. The primary reasons for the increase are as follows:

Fund balance of our 2026 Capital Projects Fund increased by approximately $65.5 million. This increase is primarily due to the issuance of $61.9 million of voter-approved bonds, along with approximately $4.0 million of bond premium on issuance, partially offset by current year expenditures.

Fund balance of our 2023 Capital Projects Fund decreased by approximately $2.6 million. This decrease is due primarily to the use of funds for allowable bond-related construction and capital project activities.

In the General Fund, our principal operating fund, fund balance increased from $23.9 million last year to $24.1 million this year.

Fund balance of our special revenue funds remained at $1.6 million year over year.

Combined, fund balance of our debt service funds increased by approximately $1.19 million. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt service fund balances are restricted since they can only be used to pay debt service obligations.

Significant Capital Asset and Long-term Financing Activity

Capital Assets

As of June 30, 2026, the School District had $102.4 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of approximately $3.4 million, or 3.2 percent, from last year.

	2026	2025
Land	$ 753,297	$ 753,297
Construction in progress	2,823,124	1,216,901
Buildings and improvements	150,667,925	149,449,220
Furniture and equipment	33,901,600	33,311,728
Buses and other vehicles	4,602,189	4,251,338
Land improvements	12,086,883	12,049,965
Total capital assets	204,835,018	201,032,449
Less accumulated depreciation	102,483,844	95,264,168
Total capital assets - Net of accumulated depreciation	**$ 102,351,174**	**$ 105,768,281**

This year's additions of $3.8 million included construction in progress, technology, building renovations, buses, and other vehicles.

Debt

At the end of this year, the School District had $147.0 million in bonds and other obligations outstanding versus $91.9 million in the previous year, a change of 60.0 percent. Those bonds and other long-term obligations consisted of the following:

	2026	2025
General obligation bonds	$ 135,020,000	$ 83,665,000
Unamortized bond premiums	8,077,333	4,579,476
Compensated absences	1,469,569	1,399,859
Self-insurance claims	1,932,988	1,806,191
Termination benefits	152,173	114,117
Arbitrage liability	387,480	339,846
Total	**$ 147,039,543**	**$ 91,904,489**

The School District's general obligation bond rating is AA. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. The School District issues qualified debt (i.e., debt backed by the State of Michigan), and, as such, the debt obligations are not subject to this debt limit. The School District does not have any outstanding unqualified general obligation debt.

Other obligations include compensated absences, self-insurance claims, termination benefits, and arbitrage liability. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Currently Known Facts, Decisions, or Conditions

Our elected officials and administration consider many factors when setting the School District's 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 2026-2027 budget was adopted in June 2026 based on an estimate of students who will enroll in September 2026. This estimate was based on the official February 2026 count date. The vast majority of General Fund revenue is from the foundation allowance. Under state law, the School District cannot access additional property tax revenue for general operations. At this time, based on the October 2026 count data, we expect enrollment to be similar to what was used for budgeting.

Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to the School District. The State periodically holds a Revenue Estimating Conference to estimate revenue. Based on the results of the most recent conference, the State estimates funds are sufficient to fund the appropriation, including a foundation allowance increase of $250 per pupil.

Contacting the School District's Management

This financial report is intended to provide our taxpayers, parents, and investors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the executive director of business and finance of Roseville Community Schools at 18975 Church St., Roseville, MI 48066.

Statement of Net Position

June 30, 2026

	Governmental Activities
Assets	
Cash and investments (Note 4)	$ 30,221,729
Receivables:	
Other receivables	204,233
Due from other governments	8,236,731
Inventory	64,201
Prepaid expenses	25,870
Restricted assets (Note 4)	71,049,662
Net OPEB asset (Note 10)	18,228,728
Capital assets - Net (Note 6)	102,351,174
Total assets	230,382,328
Deferred Outflows of Resources	
Deferred charges on bond refunding (Note 8)	2,149,716
Deferred pension costs (Note 10)	16,024,794
Deferred OPEB costs (Note 10)	3,494,849
Total deferred outflows of resources	21,669,359
Liabilities	
Accounts payable	1,225,460
Due to other governmental units	1,738,608
Accrued liabilities and other	6,997,080
Unearned revenue (Note 5)	4,454,994
Noncurrent liabilities:	
Due within one year (Note 8)	13,380,783
Due in more than one year (Note 8)	133,658,760
Net pension liability (Note 10)	61,169,079
Total liabilities	222,624,764
Deferred Inflows of Resources	
Revenue in support of pension contributions made subsequent to the measurement date (Note 10)	4,976,902
Deferred pension cost reductions (Note 10)	20,754,267
Deferred OPEB cost reductions (Note 10)	15,581,148
Total deferred inflows of resources	41,312,317
Net Position (Deficit)	
Net investment in capital assets	27,716,597
Restricted:	
Debt service	2,486,550
Capital projects	505,001
OPEB asset	18,228,728
Unrestricted	(60,822,270)
Total net position (deficit)	**$ (11,885,394)**

See notes to financial statements.

Roseville Community Schools

Statement of Activities

Year Ended June 30, 2026

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Primary government - Governmental activities:				
Instruction	$ 34,614,372	$ 27,570	$ 18,896,944	$ (15,689,858)
Support services	27,820,201	173,264	10,251,211	(17,395,726)
Athletics	315,477	39,251	-	(276,226)
Food services	2,485,314	83,266	3,342,547	940,499
Community services	344,060	184,400	290,722	131,062
Interdistrict payments	2,753	-	-	(2,753)
Interest	2,640,301	-	-	(2,640,301)
Other debt costs	544,995	-	-	(544,995)
Total primary government	**$ 68,767,473**	**$ 507,751**	**$ 32,781,424**	(35,478,298)
General revenue:				
Taxes:				
Property taxes, levied for general purposes				10,127,033
Property taxes, levied for debt service				13,191,011
State aid not restricted to specific purposes				31,572,946
Interest and investment earnings				1,274,552
Penalties, interest, and other taxes				53,085
Other				749,422
Total general revenue				56,968,049
Change in Net Position				21,489,751
Net Position (Deficit) - Beginning of year				(33,375,145)
Net Position (Deficit) - End of year				**$ (11,885,394)**

See notes to financial statements.

Roseville Community Schools

Governmental Funds
Balance Sheet

June 30, 2026

	General Fund	2026 Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and investments (Note 4)	$ 28,953,389	$ -	$ 1,268,340	$ 30,221,729
Receivables:				
Other receivables	176,765	-	21,692	198,457
Due from other governments	8,236,731	-	-	8,236,731
Due from other funds (Note 7)	726,523	-	979,128	1,705,651
Inventory	45,909	-	18,292	64,201
Prepaid expenses	25,870	-	-	25,870
Restricted assets: (Note 4)				
Restricted cash and cash equivalents	-	-	3,632,869	3,632,869
Restricted investments	-	65,751,002	1,665,791	67,416,793
Total assets	**$ 38,165,187**	**$ 65,751,002**	**$ 7,586,112**	**$ 111,502,301**
Liabilities				
Accounts payable	$ 716,658	$ 204,903	$ 303,899	$ 1,225,460
Due to other governmental units	1,738,608	-	-	1,738,608
Due to other funds (Note 7)	997,189	86,550	616,136	1,699,875
Accrued liabilities and other	6,182,481	-	33,463	6,215,944
Unearned revenue (Note 5)	4,453,547	-	1,447	4,454,994
Total liabilities	14,088,483	291,453	954,945	15,334,881
Fund Balances				
Nonspendable:				
Inventory	45,909	-	18,292	64,201
Prepaid expenses	25,870	-	-	25,870
Restricted:				
Debt service	-	-	3,267,686	3,267,686
Capital projects	-	65,459,549	1,745,972	67,205,521
Food service	-	-	990,412	990,412
Committed:				
Child care operations	-	-	250,831	250,831
Student activities	-	-	357,974	357,974
Assigned - Budgeted use of fund balance in subsequent year	5,801,808	-	-	5,801,808
Unassigned	18,203,117	-	-	18,203,117
Total fund balances	24,076,704	65,459,549	6,631,167	96,167,420
Total liabilities and fund balances	**$ 38,165,187**	**$ 65,751,002**	**$ 7,586,112**	**$ 111,502,301**

Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2026

Fund Balances Reported in Governmental Funds	$ 96,167,420
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not financial resources and are not reported in the funds:	
Cost of capital assets	204,835,018
Accumulated depreciation	(102,483,844)
Net capital assets used in governmental activities	102,351,174
Deferred outflows related to bond refundings are not reported in the funds	2,149,716
Long-term debt (including unamortized premiums on issuances) is not due and payable in the current period and is not reported in the funds	(143,097,333)
Accrued interest is not due and payable in the current period and is not reported in the funds	(781,136)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(1,469,569)
Early termination incentive obligations	(152,173)
Provision for self-insurance claims	(1,932,988)
Net pension liability and related deferred inflows and outflows	(65,898,552)
Net OPEB asset and related deferred inflows and outflows	6,142,429
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	(4,976,902)
Arbitrage liabilities do not present a claim on current financial resources and are not reported as fund liabilities	(387,480)
Net Position (Deficit) of Governmental Activities	**$ (11,885,394)**

See notes to financial statements.

Roseville Community Schools

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2026

	General Fund	2026 Capital Projects Fund	Formerly Major - 2023 Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Local sources	$ 11,550,231	$ 13,209	$ -	$ 14,339,414	$ 25,902,854
State sources	51,808,027	-	-	997,883	52,805,910
Federal sources	3,038,119	-	-	3,422,244	6,460,363
Interdistrict	5,940,741	-	-	-	5,940,741
Total revenue	72,337,118	13,209	-	18,759,541	91,109,868
Expenditures					
Current:					
Instruction	39,531,491	-	-	-	39,531,491
Support services	31,293,876	-	-	921,877	32,215,753
Athletics	407,626	-	-	-	407,626
Food services	13,050	-	-	2,835,719	2,848,769
Community services	83,324	-	-	376,377	459,701
Debt service:					
Principal	200,000	-	-	10,355,000	10,555,000
Interest	38,263	-	-	2,333,616	2,371,879
Other debt costs	-	497,361	-	-	497,361
Capital outlay	845,569	11,500	-	3,124,562	3,981,631
Interdistrict payments	2,753	-	-	-	2,753
Total expenditures	72,415,952	508,861	-	19,947,151	92,871,964
Excess of Expenditures Over Revenue	(78,834)	(495,652)	-	(1,187,610)	(1,762,096)
Other Financing Sources (Uses)					
Face value of debt issued	-	61,910,000	-	-	61,910,000
Premium on debt issued	-	4,045,201	-	-	4,045,201
Transfers in	227,663	-	-	3,019,446	3,247,109
Transfers out	-	-	-	(3,247,109)	(3,247,109)
Total other financing sources (uses)	227,663	65,955,201	-	(227,663)	65,955,201
Net Change in Fund Balances	148,829	65,459,549	-	(1,415,273)	64,193,105
Fund Balances - Beginning of year, as previously reported	23,927,875	-	4,323,898	3,722,542	31,974,315
Change within Financial Reporting Entity	-	-	(4,323,898)	4,323,898	-
Fund Balances - Beginning of year, as adjusted	23,927,875	-	-	8,046,440	31,974,315
Fund Balances - End of year	**$ 24,076,704**	**$ 65,459,549**	**$ -**	**$ 6,631,167**	**$ 96,167,420**

See notes to financial statements.

Governmental Funds
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2026

Net Change in Fund Balances Reported in Governmental Funds	$	64,193,105
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:		
Capitalized capital outlay		3,802,569
Depreciation expense		(7,219,676)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available		(49,796)
Revenue in support of pension contributions made subsequent to the measurement date		(802,848)
Issuing debt, net of premiums and discounts, provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position		(65,955,201)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds		10,672,400
Interest expense is recognized in the government-wide statements as it accrues		(385,822)
Some employee costs (pension, OPEB, compensated absences, termination benefits, and self-insurance claims) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds		17,282,654
Arbitrage expenditures that do not use current financial resources are not reported as expenditures in the governmental funds		(47,634)
Change in Net Position of Governmental Activities	**$**	**21,489,751**

Fiduciary Fund
Statement of Fiduciary Net Position

June 30, 2026

	Custodial - Scholarship Fund
Assets	
Cash and investments (Note 4)	$ 180,481
Due from other funds (Note 7)	19,495
Total assets	199,976
Liabilities	
Accounts payable	141,400
Due to other funds (Note 7)	25,271
Total liabilities	166,671
Net Position - Unrestricted	**$ 33,305**

Roseville Community Schools

Fiduciary Fund
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2026

	Custodial - Scholarship Fund
Additions	
Investment income	$ 5,019
Donations and fundraising	95,561
Total additions	100,580
Deductions	
Scholarships awarded	78,000
Fundraising expenses	26,905
Total deductions	104,905
Net Decrease in Fiduciary Net Position	(4,325)
Net Position - Beginning of year	37,630
Net Position - End of year	**$ 33,305**

See notes to financial statements.

Note 1 - Nature of Business

Roseville Community Schools (the "School District") is a school district in the state of Michigan that provides educational services to students.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected seven-member board. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. 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 primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 2 - Significant Accounting Policies (Continued)

Fund Accounting

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the School District to show the particular expenditures for which specific revenue is used. The various funds are aggregated into the following broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. The School District reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The 2026 Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for remodeling, equipping, re-equipping, furnishing, and refurnishing school buildings, including the middle school auditorium; constructing a new elementary school; acquiring and installing instructional technology infrastructure and equipment; preparing, developing, and improving school sites; acquiring school buses; and paying costs related to the issuance of the bonds. The fund operates until the purpose for which it was created is accomplished.

Additionally, the School District reports the following nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The School District's special revenue funds include the Food Service, Student Activities, and Child Care funds. The Food Service Fund accounts for the School District's breakfast and lunch programs, and its primary sources of revenue are federal and state grants and customer sales. Revenue sources for the Student Activities Fund include fundraising revenue and donations earned and received by student groups. The Child Care Fund accounts for the activity of the School District's child care programs, and its primary source of revenue is user fees. Any operating deficit generated by these activities is the responsibility of the General Fund.
- The 2023 Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for installing new and replacement technology infrastructure and equipment, technology upgrades, refurnishing district buildings, improving and developing school sites, acquiring buses, and remodeling and repairs. The fund operates until the purpose for which it was created is accomplished.
- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the School District). The School District does not have any enterprise or internal service funds.

Note 2 - Significant Accounting Policies (Continued)

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the School District's programs. Activities that are reported as fiduciary include the following:

- The Scholarship Fund accumulates resources used to pay future scholarships on the behalf of students. The funds are segregated and held for the students.

Interfund Activity

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the School District has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School District considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

Fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value except for investments in bank investment pooled funds (J Funds) and MILAF, which are valued at amortized cost. Pooled investment income is generally allocated to each fund using a weighted average of balance for the principal.

Note 2 - Significant Accounting Policies (Continued)

Inventories and Prepaid Items

Inventories are valued at cost on an average cost basis for central services and on a first-in, first-out basis for food services. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. United States Department of Agriculture Commodities inventory received by the Food Service Fund is recorded as inventory and deferred revenue until used. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements, when applicable.

Restricted Assets

The following amounts are reported as restricted assets:

- Unspent bond proceeds and related interest of the bonded capital projects fund required to be set aside for construction or other allowable bond purchases
- Unspent property taxes levied held in the debt service funds required to be set aside for future bond principal and interest payments

Capital Assets

Capital assets, which include land and land improvements, buildings, furniture and equipment, and vehicles, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings and improvements	7 to 50
Furniture and equipment	5 to 25
Buses and other vehicles	8
Land improvements	20 to 50

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The School District reports deferred outflows related to deferred charges on bond refundings and deferred pension and OPEB costs.

Note 2 - Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The School District reports deferred inflows related to revenue in support of pension contributions made subsequent to the measurement date and deferred pension and OPEB plan cost reductions.

Net Position

Net position of the School District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The School District will sometimes fund outlays for a particular purpose from both restricted 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 School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The School District will sometimes 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 School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, 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 nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The School 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 School District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by passing a resolution prior to the end of the fiscal year, commit fund balance. Once passed, the limitation imposed by the resolution remains in place until a similar action is taken (the passing of another resolution) to remove or revise the limitation.

Note 2 - Significant Accounting Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the School 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 exist only 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 either to remove or revise a commitment.

The fund balance policy prescribes the end of year minimum fund balance for the General Fund as 12 percent of the preceding year's expenditures.

Property Tax Revenue

Properties are assessed as of December 31, and approximately 80 percent of the related property taxes become a lien on July 1 and the remainder on December 1 of the following year. These taxes are billed on July 1 for approximately 50 percent of the taxes and on December 1 for the remainder of the property taxes. Tax collections are forwarded to the School District as collected by the assessing municipalities through March 1, at which time they are considered delinquent and added to county tax rolls. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Grants and Contributions

The School District receives federal, state, and local grants, as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as noncapital subsidies revenue. Amounts restricted to capital acquisitions are reported as other nonoperating revenue.

Pension and Other Postemployment Benefit (OPEB) Plans

For purposes of measuring the net pension liability and net OPEB asset, deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPSERS) and additions to/deductions from the MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

It is the School District's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. The compensated absence liability is reported in the government-wide financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Termination Benefits

Termination benefits include severance payments to employees in certain bargaining groups, hired before certain dates, upon separation from the School District. Because the termination benefits do not have determinable payment dates, the cost of these benefits is calculated at the undiscounted total of estimated future benefit payments at current cost levels.

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Accounting Changes

Adoption of New Accounting Pronouncement

During the current year, the School District adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The new accounting standard impacted the organization and disclosure requirements of management's discussion and analysis and budgetary comparison disclosures in the required supplementary information. The adoption of the new standard did not have a material impact on the School District's financial statements.

Changes to or within the Financial Reporting Entity

Change in Major Funds

The 2023 Capital Projects Fund was previously reported as a major fund but is now reported as a nonmajor fund for fiscal year 2026. The effects of this change in major funds are shown in the table at the end of this section.

Adjustments to Beginning Balances

During fiscal year 2026, the changes noted above resulted in adjustments to beginning fund balance as follows:

	2025 As Previously Reported	Change to or within the Financial Reporting Entity	2025 As Adjusted
Governmental funds:			
Major funds:			
General Fund	$ 23,927,875	$ -	$ 23,927,875
Formerly major - 2023 Capital Projects Fund	4,323,898	(4,323,898)	-
Nonmajor funds	3,722,542	4,323,898	8,046,440
Total governmental funds	$ 31,974,315	$ -	$ 31,974,315

Upcoming Accounting Pronouncement

In December 2025, the Governmental Accounting Standards Board issued Statement No. 105, *Subsequent Events*, which improves financial reporting requirements for subsequent events by clarifying the subsequent events time frame and the distinction between recognized and nonrecognized events. This statement also establishes specific note disclosure requirements and requires disclosure of the date through which subsequent events have been evaluated. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2027. Management has not yet determined the impact that adoption of GASB 105 will have on their financial statements.

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all special revenue funds, except that transfers from other funds are budgeted as part of revenue instead of other financing sources, the enhancement millage proceeds are budgeted as other financing sources instead of interdistrict revenue, capital outlay and interdistrict payments are budgeted in other expenditure categories, athletic expenditures are budgeted as other support services, and debt service payments are budgeted as other financing uses. All actual amounts have been presented in the same basis of presentation as the adopted budget. All annual appropriations lapse at fiscal year end. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Capital Projects Fund Compliance

The 2023 and 2026 Capital Projects funds include 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 funds are not yet considered substantially complete, and a subsequent year audit is expected.

Note 4 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District’s deposits are in accordance with statutory authority.

The School District has designated six financial institutions for the deposit of its funds.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost except for a one-day minimum investment period on MILAF cash management funds and MAX Class funds may not be redeemed for at least 14 calendar days, with the exception of direct investments of funds distributed by the State. Redemptions made prior to the applicable 14-day period are subject to a penalty equal to 15 days' interest on the amount so redeemed.

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At year end, the School District had bank deposits of $5,428,129 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Note 4 - Deposits and Investments (Continued)

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School 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 School District does not have a policy for custodial credit risk. At June 30, 2026, the School District does not have investments with custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity. At June 30, 2026, the School District does not have investments subject to interest rate risk.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices. As of June 30, 2026, the credit quality ratings of investments (other than the U.S. government) are as follows:

Investment	Carrying Value	Credit Rating	Rating Agency
Primary Government			
MILAF Cash Management Class	$ 54,812	AAAM	S&P
Comerica J Fund	28,430,794	Not rated	
MILAF Investments - MAX Class	67,361,982	AAAM	S&P
Total	$ 95,847,588		

Concentration of Credit Risk

The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. All of the School District's investments are in bank investment pools.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's investment policy prohibit investments in foreign currency.

Note 5 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. The School District had no unavailable revenue at June 30, 2026. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned.

Note 5 - Unavailable/Unearned Revenue (Continued)

At June 30, 2026, the various components of unearned revenue were as follows:

	Governmental Funds Liability - Unearned
Grant and categorical aid payment received prior to meeting all eligibility requirements	$ 4,453,547
Prepaid student food sales	1,447
Total	$ 4,454,994

Note 6 - Capital Assets

Capital asset activity of the School District's governmental activities was as follows:

	Balance July 1, 2025	Reclassifications	Additions	Disposals	Balance June 30, 2026
Capital assets not being depreciated:					
Land	$ 753,297	$ -	$ -	$ -	$ 753,297
Construction in progress	1,216,901	(1,174,836)	2,781,059	-	2,823,124
Subtotal	1,970,198	(1,174,836)	2,781,059	-	3,576,421
Capital assets being depreciated:					
Buildings and improvements	149,449,220	1,111,696	107,009	-	150,667,925
Furniture and equipment	33,311,728	26,222	563,650	-	33,901,600
Buses and other vehicles	4,251,338	-	350,851	-	4,602,189
Land improvements	12,049,965	36,918	-	-	12,086,883
Subtotal	199,062,251	1,174,836	1,021,510	-	201,258,597
Accumulated depreciation:					
Buildings and improvements	65,296,569	-	4,152,716	-	69,449,285
Furniture and equipment	21,209,426	-	2,061,454	-	23,270,880
Buses and other vehicles	2,802,382	-	485,624	-	3,288,006
Land improvements	5,955,791	-	519,882	-	6,475,673
Subtotal	95,264,168	-	7,219,676	-	102,483,844
Net capital assets being depreciated	103,798,083	1,174,836	(6,198,166)	-	98,774,753
Net governmental activities capital assets	$ 105,768,281	$ -	$ (3,417,107)	$ -	$ 102,351,174

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

Governmental activities:	
Instruction	$ 5,053,773
Support services	2,165,903
Total governmental activities	$ 7,219,676

Construction Commitments

At June 30, 2026, the School District had no commitments with contractors.

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 614,702
	2026 Capital Projects Fund	86,550
	Custodial Scholarship Fund	25,271
	Total General Fund	726,523
Nonmajor governmental funds	General Fund	977,694
	Nonmajor governmental funds	1,434
	Total nonmajor governmental funds	979,128
Custodial Scholarship Fund	General Fund	19,495
	Total	$ 1,725,146

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
Food Service Fund	General Fund	$ 227,663
2015 Refunding Debt Fund	2021 Refunding Debt Fund	1,095,557
2014 Refunding Debt Fund	2021 Refunding Debt Fund	1,923,889

The transfer from the Food Service Fund to the General Fund was to cover the fund's portion of shared costs.

The transfers from the 2014 and 2015 Refunding Debt funds to the 2021 Refunding Debt Fund represent the transfer of remaining resources in connection with the closure of those funds during 2026.

Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2026 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and notes payable:					
Other debt - General obligation bonds	$ 83,665,000	$ 61,910,000	$ (10,555,000)	$ 135,020,000	$ 10,420,000
Unamortized bond premiums	4,579,476	4,045,201	(547,344)	8,077,333	682,185
Total bonds and direct borrowings	88,244,476	65,955,201	(11,102,344)	143,097,333	11,102,185
Compensated absences	1,399,859	391,783	(322,073)	1,469,569	338,001
Self-insurance claims (Note 9)	1,806,191	7,788,194	(7,661,397)	1,932,988	1,932,988
Termination benefits	114,117	46,607	(8,551)	152,173	7,609
Arbitrage liability	339,846	47,634	-	387,480	-
Total governmental activities long-term debt	$ 91,904,489	$ 74,229,419	$ (19,094,365)	$ 147,039,543	$ 13,380,783

Note 8 - Long-term Debt (Continued)

The School District had deferred outflows of $2,149,716 related to deferred charges on bond refundings at June 30, 2026.

General Obligation Bonds and Contracts

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The School District's qualified bonds are fully guaranteed by the State of Michigan. The primary source of any required repayment is from the School District's property tax levy; however, the State of Michigan may withhold the School District's state aid funding in order to recover amounts it has paid on behalf of the School District. General obligations outstanding at June 30, 2026 are as follows:

Purpose	Year Issued	Interest Rates	Maturing May 1	Outstanding
$2,715,000 General Obligation Qualified Bond (2014 Energy Conservation Improvement Bond) - Due in annual installments of $205,000 to $230,000	2014	3.50%-3.75%	2030	$ 875,000
$35,455,000 General Obligation Qualified Bond (2018 School Building and Site) - Due in annual installments of $1,750,000 to $1,850,000	2018	5.00%	2038	21,625,000
$58,915,000 General Obligation Qualified Bond (2021 Refunding) - Due in annual installments of $5,930,000 to $6,275,000	2021	0.22%-2.27%	2034	48,075,000
$8,590,000 General Obligation Qualified Bond (2023 School Building and Site) - Due in annual installment of $2,535,000	2023	5.00%	2027	2,535,000
$61,910,000 General Obligation Qualified Bond (2026 School Building and Site) - Due in annual installments of $500,000 to $4,040,000	2026	5.00%	2056	61,910,000
Total governmental activities				$ 135,020,000

Other Long-term Liabilities

Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. The self-insurance claims liability will generally be liquidated through the School District's General Fund. That fund will finance the payment of those claims by charging the other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds. The arbitrage liability attributable to the governmental activities will be liquidated from the 2023 Capital Projects Fund when payable to the Internal Revenue Service.

Note 8 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Other Debt Principal	Other Debt Interest	Total
2027	$ 10,420,000	$ 4,686,813	$ 15,106,813
2028	9,985,000	4,893,008	14,878,008
2029	8,575,000	4,612,862	13,187,862
2030	8,700,000	4,393,050	13,093,050
2031	8,600,000	4,161,634	12,761,634
2032-2036	31,555,000	17,299,058	48,854,058
2037-2041	12,760,000	12,786,750	25,546,750
2042-2046	11,475,000	10,012,500	21,487,500
2047-2051	14,545,000	6,851,250	21,396,250
2052-2056	18,405,000	2,848,000	21,253,000
Total	$ 135,020,000	$ 72,544,925	$ 207,564,925

Note 9 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District is self-insured for health, vision, and dental claims. The School District purchases commercial insurance for life and disability claims and participates in a shared-risk pool for claims relating to property loss, torts, errors and omissions, and workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The School District estimates the liability for health, vision, and dental claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. These estimates are recorded in the government-wide statements. Changes in the estimated liability for the past two fiscal years were as follows:

	2026	2025
Estimated liability - Beginning of year	$ 1,806,191	$ 1,853,477
Estimated claims incurred, including changes in estimates	7,788,194	6,960,459
Claim payments	(7,661,397)	(7,007,745)
Estimated liability - End of year	$ 1,932,988	$ 1,806,191

Note 10 - Michigan Public School Employees' Retirement System

Plan Description

The School District participates in the Michigan Public School Employees' Retirement System (the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. Certain school district employees also receive defined contribution retirement and health care benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment health care plans. That report is available on the web at http://www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care 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 pension plan and the postemployment health care plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of service times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member’s date of hire, MPSERS offers the option of participating in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation, with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits but with an actuarial reduction.

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

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS, with the balance deducted from the monthly pension of each retiree health care recipient. Depending on the member’s date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Contributions

Public Act 300 of 1980, as amended, required the School District to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state Legislature. Under these provisions, each school district's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

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

The School District's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The ranges of rates are as follows:

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

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The School District's required and actual pension contributions to the plan for the year ended June 30, 2026 were $14,284,977, which includes the School District's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2026, the School District's required and actual pension contributions include an allocation of $4,976,902 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2026 were $1,192,568, which includes the School District's contributions required for those members with a defined contribution benefit.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Net Pension Liability

At June 30, 2026, the School District reported a liability of $61,169,079 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2024, which used update procedures to roll forward the estimated liability to September 30, 2025. The School 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. At September 30, 2025 and 2024, the School District's proportion was approximately 0.31 percent.

Net OPEB Asset

At June 30, 2026, the School District reported an asset of $18,228,728 for its proportionate share of the net OPEB asset. The net OPEB asset for fiscal year 2026 was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2024, which used update procedures to roll forward the estimated liability to September 30, 2025. The School District's proportion of the net OPEB 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. At September 30, 2025 and 2024, the School District's proportion was approximately 0.30 percent.

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

For 2026, the School District recognized pension expense of $2,308,301, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,369,254	$ (544,828)
Changes in assumptions	2,195,534	(3,232,933)
Net difference between projected and actual earnings on pension plan investments	-	(14,618,100)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	199,774	(2,358,406)
The School District's contributions to the plan subsequent to the measurement date	11,260,232	-
Total	$ 16,024,794	$ (20,754,267)

The $4,976,902 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2027. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2027	$ (1,462,662)
2028	(7,366,946)
2029	(5,529,905)
2030	(1,630,192)
Total	$ (15,989,705)

Note 10 - Michigan Public School Employees' Retirement System (Continued)

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

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

For the year ended June 30, 2026, the School District recognized an OPEB recovery of $6,011,398.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (12,480,251)
Changes in assumptions	2,432,819	(193,332)
Net difference between projected and actual earnings on OPEB plan investments	-	(2,561,534)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	282,798	(346,031)
Employer contributions to the plan subsequent to the measurement date	779,232	-
Total	$ 3,494,849	$ (15,581,148)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will increase the net OPEB asset and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2027	$ (3,395,678)
2028	(3,320,238)
2029	(3,146,729)
2030	(2,064,446)
2031	(718,243)
Thereafter	(220,197)
Total	$ (12,865,531)

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2025 are based on the results of an actuarial valuation as of September 30, 2024 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75 percent
Health care cost trend rate - OPEB	6.50% - 7.75%	Year 1 graded to 3.5 percent in year 15
Mortality basis		PubT-2010 Male and Female Employee Mortality Tables, scaled 100 percent (retirees: 116 percent for males and 116 percent for females) and adjusted for mortality improvements using projection scale MP-2021 from 2010
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

Note 10 - Michigan Public School Employees' Retirement System (Continued)

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

Significant assumption changes since the prior measurement date, September 30, 2024, for the OPEB plans include an increase in the health care cost trend rate of 0.50 percent for members under 65. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2024.

Discount Rate

The discount rate used to measure the total pension liability and OPEB liability was 6.00 percent as of September 30, 2025. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (Pension)	Target Allocation (OPEB)	Long-term Expected Real Rate of Return
Domestic equity pools	21.00 %	16.00 %	5.80 %
Private equity pools	16.00	16.00	9.30
International equity pools	14.00	11.00	5.60
Fixed-income pools	15.00	26.00	2.50
Real estate and infrastructure pools	8.00	5.00	7.00
Absolute return pools	13.00	15.00	4.40
Real return/opportunistic pools	9.00	7.00	7.00
Short-term investment pools	4.00	4.00	1.30
Total	100.00 %	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.4 percent.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the School District, calculated using the discount rate depending on the plan option. The following also reflects what the School District's 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:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the School District	$ 96,528,180	$ 61,169,079	$ 31,719,474

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the School District, calculated using the current discount rate. It also reflects what the School District's net OPEB 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:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB asset of the School District	$ (15,705,202)	$ (18,228,728)	$ (20,437,359)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB asset of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB asset would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Rate	1 Percentage Point Increase
Net OPEB asset of the School District	$ (20,417,205)	$ (18,228,728)	$ (15,930,898)

Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan

At June 30, 2026, the School District reported a payable of $2,716,685 and $168,939 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2026.

Note 11 - Tax Abatements

The School District receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974) and brownfield redevelopment agreements granted by cities, villages, and townships within the boundaries of the School District. 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.

For the fiscal year ended June 30, 2026, the School District’s property tax revenue was reduced by $221,000 under these programs.

Note 11 - Tax Abatements (Continued)

The School District is reimbursed for lost revenue caused by tax abatements on the operating millage of nonhomestead properties from the State of Michigan under the school aid formula. The School District received approximately $136,000 in reimbursements from the State of Michigan. The School District is not reimbursed for lost revenue from debt service millages. There are no abatements made by the School District.

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget - Over (Under) Final Budget	Actual	Variance with Final Budget - Over (Under) Actual Amounts
Revenue					
Local sources	$ 10,772,865	$ 11,336,423	$ 563,558	$ 11,550,233	$ 213,810
State sources	46,153,785	52,477,032	6,323,247	51,808,026	(669,006)
Federal sources	2,472,900	3,502,746	1,029,846	3,080,165	(422,581)
Other financing sources	5,623,909	5,876,887	252,978	6,168,404	291,517
Total revenue	65,023,459	73,193,088	8,169,629	72,606,828	(586,260)
Expenditures					
Current:					
Instruction:					
Basic programs	28,746,415	30,045,923	1,299,508	28,898,860	(1,147,063)
Added needs	9,780,795	11,018,815	1,238,020	10,775,976	(242,839)
Support services:					
Pupil	5,724,844	6,106,044	381,200	5,884,223	(221,821)
Instructional staff	4,063,493	4,732,972	669,479	4,182,946	(550,026)
General administration	775,549	834,525	58,976	808,976	(25,549)
School administration	5,174,354	5,369,437	195,083	5,291,090	(78,347)
Business	1,221,993	1,259,755	37,762	1,260,648	893
Operations and maintenance	8,007,799	8,640,772	632,973	8,379,437	(261,335)
Pupil transportation services	3,105,554	3,737,643	632,089	3,167,443	(570,200)
Central	2,548,400	2,634,593	86,193	2,551,086	(83,507)
Other	415,831	423,748	7,917	420,674	(3,074)
Community services	52,359	87,362	35,003	83,325	(4,037)
Total expenditures	69,617,386	74,891,589	5,274,203	71,704,684	(3,186,905)
Excess of Revenue (Under) Over Expenditures	(4,593,927)	(1,698,501)	2,895,426	902,144	2,600,645
Other Financing Sources (Uses)	116,611	(810,115)	(926,726)	(753,315)	56,800
Net Change in Fund Balance	(4,477,316)	(2,508,616)	1,968,700	148,829	2,657,445
Fund Balance - Beginning of year	23,927,875	23,927,875	-	23,927,875	-
Fund Balance - End of year	**$ 19,450,559**	**$ 21,419,259**	**$ 1,968,700**	**$ 24,076,704**	**$ 2,657,445**

See notes to required supplementary information.

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Michigan Public School Employees' Retirement System

Last Ten Plan Years
Plan Years Ended September 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.30534 %	0.31033 %	0.31713 %	0.31768 %	0.31117 %	0.31913 %	0.33142 %	0.33851 %	0.34016 %	0.33564 %
School District's proportionate share of the net pension liability	$ 61,169,079	$ 75,975,491	$ 102,642,001	$ 119,475,530	$ 73,671,676	$ 109,624,736	$ 109,755,055	$ 101,761,730	$ 88,150,523	$ 83,739,286
School District's covered payroll	$ 33,720,778	$ 32,669,064	$ 31,190,314	$ 31,125,270	$ 27,942,239	$ 27,630,198	$ 28,483,737	$ 28,567,961	$ 28,417,940	$ 28,638,999
School District's proportionate share of the net pension liability as a percentage of its covered payroll	181.40 %	232.56 %	329.08 %	383.85 %	263.66 %	396.76 %	385.33 %	356.21 %	310.19 %	292.40 %
Plan fiduciary net position as a percentage of total pension liability	79.44 %	74.44 %	65.91 %	60.77 %	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Contributions
Michigan Public School Employees' Retirement System

Last Ten Fiscal Years
Years Ended June 30

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	$ 13,751,128	$ 13,583,201	$ 13,281,033	$ 14,892,837	$ 10,753,710	$ 9,410,529	$ 8,895,307	$ 8,842,843	$ 8,650,650	$ 8,437,506
Contributions in relation to the statutorily required contribution	13,751,128	13,583,201	13,281,033	14,892,837	10,753,710	9,410,529	8,895,307	8,842,843	8,650,650	8,437,506
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School District's Covered Payroll	$ 35,693,847	$ 33,525,490	$ 32,248,015	$ 30,965,213	$ 29,590,557	$ 27,498,422	$ 28,021,174	$ 28,530,767	$ 28,584,398	$ 29,633,259
Contributions as a Percentage of Covered Payroll	38.53 %	40.52 %	41.18 %	48.10 %	36.34 %	34.22 %	31.74 %	30.99 %	30.26 %	28.47 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability (Asset)
Michigan Public School Employees' Retirement System

Last Nine Plan Years
Plan Years Ended September 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017
School District's proportion of the net OPEB (asset) liability	0.29986 %	0.30903 %	0.31208 %	0.32026 %	0.30990 %	0.31269 %	0.32671 %	0.33602 %	0.33942 %
School District's proportionate share of the net OPEB (asset) liability	$ (18,228,728)	$ (13,301,724)	$ (1,765,411)	$ 6,783,237	$ 4,730,201	$ 16,751,489	$ 23,450,737	$ 26,710,131	$ 30,057,114
School District's covered payroll	$ 33,720,778	$ 32,669,064	$ 31,190,314	$ 31,125,270	$ 27,942,239	$ 27,630,198	$ 28,483,737	$ 28,567,961	$ 28,417,940
School District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	(54.06)%	(40.72)%	(5.66)%	21.79 %	16.93 %	60.63 %	82.33 %	93.50 %	105.77 %
Plan fiduciary net position as a percentage of total OPEB liability	164.94 %	143.08 %	105.04 %	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of OPEB Contributions
Michigan Public School Employees' Retirement System

Last Nine Fiscal Years
Years Ended June 30

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ 864,005	$ 998,221	$ 2,649,311	$ 2,492,452	$ 2,411,394	$ 2,288,350	$ 2,251,669	$ 2,241,099	$ 2,064,572
Contributions in relation to the statutorily required contribution	864,005	998,221	2,649,311	2,492,452	2,411,394	2,288,350	2,251,669	2,241,099	2,064,572
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School District's Covered Payroll	$ 35,693,847	$ 33,525,490	$ 32,248,015	$ 30,965,213	$ 29,590,557	$ 27,498,422	$ 28,021,174	$ 28,530,767	$ 28,584,398
Contributions as a Percentage of Covered Payroll	2.42 %	2.98 %	8.22 %	8.05 %	8.15 %	8.32 %	8.04 %	7.86 %	7.22 %

See notes to required supplementary information.

Budgetary Information

Significant variances between original and amended budget - During the year, there were significant variances between the School District's original and amended budget in the General Fund, as follows:

	Original Budget	Amended Budget
Revenue - State sources	$ 46,153,785	$ 52,477,032
Revenue - Federal sources	2,472,900	3,502,746
Expenditures - Instruction - Basic programs	28,746,415	30,045,923
Expenditures - Instruction - Added needs	9,780,795	11,018,815

The primary reason for these budget variances was the lack of timely budget information from the State when the School District prepared its original budget. The School District was required to adopt its budget for the 2026 fiscal year by June 30, 2025; however, the State did not sign its budget into law until October 2025.

The amended budget reflected more than $866,000 in additional state aid compared to the original budget. The School District developed its original budget conservatively to account for the potential loss of students and uncertainty regarding the foundation allowance. Additionally, the state budget included new grant opportunities that were not known at the time the School District adopted its original budget. For example, the School District was awarded nearly $600,000 through the Educator Compensation Grant and an additional $1.5 million through the Section 31a At-Risk Grant. Corresponding expenditures were also included in the amended budget to reflect the additional grant funding.

In addition to the above variances, the School District also had a significant variance between amended budget and actual expenditures for instruction basic programs. Final budget was $30,045,923 compared to actual expenditures of $28,898,860, representing a variance of $(1,147,063). This variance was primarily attributable to budgeting for the full amount of grant expenditures to align with grant awards, while some of the related funds remained unspent at year end. As a result, the School District reported $4,453,547 in deferred revenue in the General Fund at year end.

Pension Information

Benefit Changes

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

Changes in Assumptions

There were no significant changes of 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 used in the September 30, 2022 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

OPEB Information

Ultimately, 10 years of data will be presented in both of the OPEB-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

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

Changes in Assumptions

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

- 2025 - The health care cost trend rate used in the September 30, 2025 actuarial valuation increased by 0.50 percentage points for members under 65.
- 2024 - The health care cost trend rate used in the September 30, 2024 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, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.95 percentage points. This resulted in a 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. This, in addition to actual per person health benefit costs being lower than projected, reduced the plan's total OPEB liability by an additional $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 a 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 a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by $1.4 billion in 2018.

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Supplementary Information

Roseville Community Schools

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2026

	Special Revenue Funds			Debt Service Funds					Capital Project Fund	
	Food Service Fund	Child Care Fund	Student Activities Fund	2015 Refunding Debt Fund	2014 Refunding Debt Fund	2018 Debt Fund	2021 Refunding Debt Fund	2023 Debt Fund	2023 Capital Projects Fund	Total
Assets										
Cash and investments	$ 966,431	$ -	$ 301,909	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,268,340
Receivables - Other receivables	1,683	20,009	-	-	-	-	-	-	-	21,692
Due from other funds	298,107	242,525	437,791	-	-	-	-	705	-	979,128
Inventory	18,292	-	-	-	-	-	-	-	-	18,292
Restricted assets	-	-	-	-	-	900,614	1,959,592	426,349	2,012,105	5,298,660
Total assets	**$ 1,284,513**	**$ 262,534**	**$ 739,700**	**$ -**	**$ -**	**$ 900,614**	**$ 1,959,592**	**$ 427,054**	**$ 2,012,105**	**$ 7,586,112**
Liabilities										
Accounts payable	$ 23,476	$ 1,457	$ -	$ -	$ -	$ 4,503	$ 10,470	$ 4,601	$ 259,392	$ 303,899
Due to other funds	227,669	-	381,726	-	-	-	-	-	6,741	616,136
Accrued liabilities and other	23,217	10,246	-	-	-	-	-	-	-	33,463
Unearned revenue	1,447	-	-	-	-	-	-	-	-	1,447
Total liabilities	275,809	11,703	381,726	-	-	4,503	10,470	4,601	266,133	954,945
Fund Balances										
Nonspendable - Inventory	18,292	-	-	-	-	-	-	-	-	18,292
Restricted:										
Debt service	-	-	-	-	-	896,111	1,949,122	422,453	-	3,267,686
Capital projects	-	-	-	-	-	-	-	-	1,745,972	1,745,972
Food service	990,412	-	-	-	-	-	-	-	-	990,412
Committed:										
Child care operations	-	250,831	-	-	-	-	-	-	-	250,831
Student activities	-	-	357,974	-	-	-	-	-	-	357,974
Total fund balances	1,008,704	250,831	357,974	-	-	896,111	1,949,122	422,453	1,745,972	6,631,167
Total liabilities and fund balances	**$ 1,284,513**	**$ 262,534**	**$ 739,700**	**$ -**	**$ -**	**$ 900,614**	**$ 1,959,592**	**$ 427,054**	**$ 2,012,105**	**$ 7,586,112**

Roseville Community Schools

Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

Year Ended June 30, 2026

	Special Revenue Funds			Debt Service Funds					Capital Project Fund	
	Food Service Fund	Child Care Fund	Student Activities Fund	2015 Refunding Debt Fund	2014 Refunding Debt Fund	2018 Debt Fund	2021 Refunding Debt Fund	2023 Debt Fund	Formerly Major - 2023 Capital Projects Fund	Total
Revenue										
Local sources	$ 108,394	$ 184,400	$ 568,062	$ 783,826	$ 1,371,505	$ 3,154,660	$ 5,080,536	$ 2,943,787	$ 144,244	$ 14,339,414
State sources	286,959	161,066	-	-	-	126,483	294,118	129,257	-	997,883
Federal sources	3,055,588	-	-	-	-	-	-	-	366,656	3,422,244
Total revenue	3,450,941	345,466	568,062	783,826	1,371,505	3,281,143	5,374,654	3,073,044	510,900	18,759,541
Expenditures										
Current:										
Support services	205,369	125,053	580,028	502	875	2,465	3,632	2,373	1,580	921,877
Food services	2,835,719	-	-	-	-	-	-	-	-	2,835,719
Community services	-	376,377	-	-	-	-	-	-	-	376,377
Debt service:										
Principal	-	-	-	-	-	1,750,000	5,885,000	2,720,000	-	10,355,000
Interest	-	-	-	-	-	1,168,750	902,117	262,749	-	2,333,616
Capital outlay	37,316	-	-	-	-	-	-	-	3,087,246	3,124,562
Total expenditures	3,078,404	501,430	580,028	502	875	2,921,215	6,790,749	2,985,122	3,088,826	19,947,151
Excess of Revenue Over (Under) Expenditures	372,537	(155,964)	(11,966)	783,324	1,370,630	359,928	(1,416,095)	87,922	(2,577,926)	(1,187,610)
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	3,019,446	-	-	3,019,446
Transfers out	(227,663)	-	-	(1,095,557)	(1,923,889)	-	-	-	-	(3,247,109)
Total other financing (uses) sources	(227,663)	-	-	(1,095,557)	(1,923,889)	-	3,019,446	-	-	(227,663)
Net Change in Fund Balances	144,874	(155,964)	(11,966)	(312,233)	(553,259)	359,928	1,603,351	87,922	(2,577,926)	(1,415,273)
Fund Balances - Beginning of year, as previously reported	863,830	406,795	369,940	312,233	553,259	536,183	345,771	334,531	-	3,722,542
Change within Financial Reporting Entity	-	-	-	-	-	-	-	-	4,323,898	4,323,898
Fund Balances - Beginning of year, as adjusted	863,830	406,795	369,940	312,233	553,259	536,183	345,771	334,531	4,323,898	8,046,440
Fund Balances - End of year	**$ 1,008,704**	**$ 250,831**	**$ 357,974**	**$ -**	**$ -**	**$ 896,111**	**$ 1,949,122**	**$ 422,453**	**$ 1,745,972**	**$ 6,631,167**

Roseville Community Schools

Supplementary Information
Schedule of Bonded Indebtedness

June 30, 2026

Years Ending June 30	2014 Energy Conservation Debt		2018 Building and Site Bonds		2021 Refunding Debt Fund		2023 Building and Site Bonds		2026 Building and Site Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2027	$ 205,000	$ 31,762	$ 1,750,000	$ 1,081,250	$ 5,930,000	$ 850,270	$ 2,535,000	$ 126,750	$ -	$ 2,596,781	$ 15,106,813
2028	215,000	24,588	1,775,000	993,750	5,995,000	779,170	-	-	2,000,000	3,095,500	14,878,008
2029	225,000	17,062	1,775,000	905,000	6,075,000	695,300	-	-	500,000	2,995,500	13,187,862
2030	230,000	8,626	1,775,000	816,250	6,170,000	597,674	-	-	525,000	2,970,500	13,093,050
2031	-	-	1,775,000	727,500	6,275,000	489,884	-	-	550,000	2,944,250	12,761,634
2032	-	-	1,800,000	638,750	5,755,000	375,240	-	-	575,000	2,916,750	12,060,740
2033	-	-	1,800,000	548,750	5,870,000	258,586	-	-	600,000	2,888,000	11,965,336
2034	-	-	1,825,000	458,750	6,005,000	133,732	-	-	630,000	2,858,000	11,910,482
2035	-	-	1,825,000	367,500	-	-	-	-	1,485,000	2,826,500	6,504,000
2036	-	-	1,825,000	276,250	-	-	-	-	1,560,000	2,752,250	6,413,500
2037	-	-	1,850,000	185,000	-	-	-	-	1,640,000	2,674,250	6,349,250
2038	-	-	1,850,000	92,500	-	-	-	-	1,720,000	2,592,250	6,254,750
2039	-	-	-	-	-	-	-	-	1,810,000	2,506,250	4,316,250
2040	-	-	-	-	-	-	-	-	1,900,000	2,415,750	4,315,750
2041	-	-	-	-	-	-	-	-	1,990,000	2,320,750	4,310,750
2042	-	-	-	-	-	-	-	-	2,085,000	2,221,250	4,306,250
2043	-	-	-	-	-	-	-	-	2,185,000	2,117,000	4,302,000
2044	-	-	-	-	-	-	-	-	2,290,000	2,007,750	4,297,750
2045	-	-	-	-	-	-	-	-	2,400,000	1,893,250	4,293,250
2046	-	-	-	-	-	-	-	-	2,515,000	1,773,250	4,288,250
2047	-	-	-	-	-	-	-	-	2,640,000	1,647,500	4,287,500
2048	-	-	-	-	-	-	-	-	2,770,000	1,515,500	4,285,500
2049	-	-	-	-	-	-	-	-	2,905,000	1,377,000	4,282,000
2050	-	-	-	-	-	-	-	-	3,045,000	1,231,750	4,276,750
2051	-	-	-	-	-	-	-	-	3,185,000	1,079,500	4,264,500
2052	-	-	-	-	-	-	-	-	3,340,000	920,250	4,260,250
2053	-	-	-	-	-	-	-	-	3,505,000	753,250	4,258,250
2054	-	-	-	-	-	-	-	-	3,670,000	578,000	4,248,000
2055	-	-	-	-	-	-	-	-	3,850,000	394,500	4,244,500
2056	-	-	-	-	-	-	-	-	4,040,000	202,000	4,242,000
Total remaining payments	**$ 875,000**	**$ 82,038**	**$ 21,625,000**	**$ 7,091,250**	**$ 48,075,000**	**$ 4,179,856**	**$ 2,535,000**	**$ 126,750**	**$ 61,910,000**	**$ 61,065,031**	**$ 207,564,925**
Interest rate	3.5 - 3.75%		5.00%		0.22 - 2.27%		5.00%		5.00%		
Original issue	**$ 2,715,000**		**$ 35,455,000**		**$ 58,915,000**		**$ 8,590,000**		**$ 61,910,000**		**$ 167,585,000**

Principal payments for the bond issues are due on May 1 of each year.
Interest payments for the bond issues are due on May 1 and November 1 of each year.

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*

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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*

Independent Auditor's Report

To Management and the Board of Education
Roseville Community Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Roseville Community Schools (the "School District") as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 20, 2026.

Report on Internal Control Over Financial Reporting

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

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To Management and the Board of Education
Roseville Community Schools

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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 20, 2026