MORLEY STANWOOD COMMUNITY SCHOOLS

ANNUAL FINANCIAL REPORT
(with required supplementary and additional information)

JUNE 30, 2025

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Morley Stanwood Community Schools
Morley, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morley Stanwood Community Schools, Morley, Michigan as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Morley Stanwood Community Schools, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the Unites States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 3 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Morley Stanwood Community Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement 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 Morley Stanwood Community Schools' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Morley Stanwood Community Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, on pages 4-12 and 49-55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2025, on our consideration of Morley Stanwood Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Morley Stanwood 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 Morley Stanwood Community Schools' internal control over financial reporting and compliance.

UHY LLP

Cadillac, Michigan
October 3, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2025

This section of Morley Stanwood Community Schools' ("the District") annual report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

A. Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents the information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future periods.

Both of the government-wide statements distinguish functions of the District that are principally supported by state aid and property taxes (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction, supporting services, food service activities, school operated public library activities, community services, interest and other transactions.

B. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. All of the funds of the District are considered governmental funds.

Governmental Funds Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in both the government-wide and the fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report further presents Required Supplementary Information (RSI) that explains and supports the information presented in the financial statements.

C. Summary of Net Position

The following schedule summarizes the net position at fiscal years ended June 30. The prior year has not been restated to include the new GASBS No. 101 – *Compensated Absences*:

	2025	2024
Assets and Deferred Outflows of Resources		
Assets		
Current Assets	$ 12,499,874	$ 9,763,706
Non Current Assets		
Capital and Right to Use Assets (Net of Accumulated Depreciation/Amortization)	24,046,681	23,979,246
Net Other Post Employment Benefits Asset	2,728,996	366,643
Total Non Current Assets	26,775,677	24,345,889
Total Assets	39,275,551	34,109,595
Deferred Outflows of Resources	5,138,002	7,473,213
Total Assets and Deferred Outflows of Resources	$ 44,413,553	$ 41,582,808

	2025	2024
Liabilities		
Current Liabilities	$ 3,620,511	$ 3,090,468
Non Current Liabilities	28,588,606	31,679,214
Total Liabilities	32,209,117	34,769,682
Deferred Inflows of Resources		
Deferred Inflows of Resources Related to Pensions	9,405,206	6,861,453
Net Position		
Net Investment in Capital Assets	13,280,289	13,114,390
Restricted for Specific Purposes	3,456,967	985,611
Unrestricted	(13,938,026)	(14,148,328)
Total Net Position	2,799,230	(48,327)
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 44,413,553	$ 41,582,808

D. Analysis of Financial Position

During the fiscal year ended June 30, 2025, the District's net position increased by $3,040,718. A few of the more significant factors affecting net position during the year are discussed below:

1. Depreciation/Amortization Expense

GASB 34 and GASB 87 require school districts to maintain a record of annual depreciation/amortization expense and the accumulation of depreciation/amortization expense over time. The net increase in accumulated depreciation/amortization expense is a reduction in net position.

Depreciation/amortization expense is recorded on a straight-line basis over the estimated useful lives of the assets. In accordance with GAAP, depreciation/amortization expense is calculated based on the original cost of the asset less an estimated salvage value, where applicable. For the fiscal year ended June 30, 2025, $1,262,930 was recorded for depreciation/amortization expense.

2. Capital Outlay Acquisitions

For the fiscal year ended June 30, 2025, $1,330,365 of expenditures were capitalized and recorded as assets of the District. These additions to the District's capital assets will be depreciated over time as explained above.

The net effect of the new capital assets, the current year's depreciation and current year disposal of capital assets is an increase to capital assets in the amount of $67,435 for the fiscal year ended June 30, 2025.

3. *Pension Expense*

GASB 68 and GASB 75 require the District to account for its payments to the Michigan Public School Employees' Retirement System in a manner that has a significant effect on the District's change in net position. Based on various factors, the District may report an increase or decrease in net position depending on whether the District's proportionate share of the net pension liability and OPEB asset increase or decrease in any given year. For the year ended June 30, 2025, the District reported an increase in net position related to GASB 68 and GASB 75.

E. Results of Operations

The following schedule summarizes the results of operations, on a district-wide basis, for the years ended June 30. The prior year has not been restated to include the new GASBS No. 101 – *Compensated Absences*:

	2025	2024
General Revenues		
Property Taxes	$ 3,519,840	$ 3,303,958
Investment Earnings	321,288	302,808
State Sources	6,928,553	7,286,988
Other	22,316	60,319
Total General Revenues	10,791,997	10,954,073
Program Revenues		
Charges for Services	81,009	105,912
Operating Grants and Contributions	7,460,448	7,384,498
Capital Grants and Contributions	99,803	27,200
Total Program Revenues	7,641,260	7,517,610
Total Revenues	18,433,257	18,471,683
Expenses		
Instruction	6,932,318	8,483,513
Supporting Services	6,619,942	6,576,304
Community Services	114,455	135,190
Payments to Other Governmental Agencies, Facilities Acquisition, and Prior Period Adjustments	2,609	4,627
Interest on Long-Term Debt	460,285	317,346
Unallocated Depreciation	1,262,930	1,058,302
Total Expenses	15,392,539	16,575,282
Changes in Net Position	$ 3,040,718	$ 1,896,401

F. Financial Analysis of the District's Funds

The financial performance of the District as a whole is also reflected in its governmental funds. The following table shows the change in total fund balances of each of the District's governmental funds:

	2025	2024	Increase (Decrease)
Major Funds			
General Fund	$ 5,071,455	$ 5,263,101	$ (191,646)
Food Service Fund	290,196	306,782	(16,586)
2020 Debt Retirement Fund	768,079	652,791	115,288
2024 Capital Projects Fund	2,949,531	0	2,949,531
2022 Capital Projects Fund	0	1,921	(1,921)
Nonmajor Funds			
Public Library Fund	83,770	80,209	3,561
Student Activity Fund	152,536	136,678	15,858
2013 School Improvement Fund	0	0	0
2010 Energy Debt Fund	0	0	0
Capital Projects Fund	787,253	957,705	(170,452)
Total Governmental Funds	$ 10,102,820	$ 7,399,187	$ 2,703,633

In 2024-2025, the General Fund experienced a decrease in fund balance of $191,646. The decrease is primarily related to a decrease in federal revenue as well as a reduction in student enrollment. $26,658 of the fund balance is nonspendable for prepaid expenditures, $1,824,999 is assigned for subsequent year budget shortfall, and the remaining, $3,219,798, is unassigned.

The Food Service Fund decreased its fund balance by $16,586 during the fiscal year. A transfer to the General Fund and capital outlay expenditures caused the decrease in fund balance, resulting in less meals served. Of the total fund balance of $290,196, $8,003 is nonspendable for inventory, $42,918 is nonspendable for prepaid expenditures, and $239,275 is restricted for food service.

The 2020 Debt Retirement Fund increased its fund balance during the year. Property tax revenues outpaced the debt obligations, resulting in the increase. The entire fund balance is restricted for debt service.

The 2024 Capital Projects Fund is the fund the District uses to account for Series III of its 2020 bond issue. The District issued this series during the fiscal year which accounted for the increase in fund balance. The entire fund balance is restricted for capital projects.

The 2022 Capital Projects Fund is the fund the District uses to account for Series II of its 2020 bond issue. The District has spent all of these funds during the fiscal year. This fund is closed as of year-end.

The Public Library Fund increased its fund balance slightly during the year. Expenditures of the fund were outpaced by revenues, causing the increase in fund balance. The entire fund balance is restricted for public library.

The Student Activity Fund increased its fund balance slightly during the year as the expenditures related to student activities were outpaced by the revenues. The nature of these activities lend itself for expenditures and revenues to be similar each year, and that was the case in 2024-2025. The entire fund balance is assigned for student activities.

The 2013 School Improvement Debt Fund and the 2010 Energy Debt Fund have transfers in from the General Fund that match the debt payments that the District is obligated to pay each year. Therefore, there is no change in fund balance.

The Capital Projects Fund decreased its fund balance by $170,452 during the year due to capital outlay expenditures exceeding investment income. $21,007 of the fund balance is committed for future contracts and the remaining $766,246 is committed for capital projects.

G. Analysis of Significant Revenues and Expenses

Significant revenues and expenditures are discussed in the segments below:

1. Property Taxes

The District levies approximately 18 mills of property taxes for operations on real non-homestead properties and 6 mills of property taxes for operations on commercial non-homestead properties, less the mandatory reductions required by the Headlee Amendment, Article IX, Section 31. According to Michigan law, the taxable levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of the prior year's Consumer's Price Index increase or 5%, whichever is less. At the time property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is half of the property's market value.

For the 2024-2025 fiscal year, the District levied $2,408,555 in non-homestead property taxes.

The following table summarizes the general fund non-homestead property tax levies for operations for the past five years:

Fiscal Year	Non-Homestead Tax Levy
2024-2025	$ 2,408,555
2023-2024	2,277,655
2022-2023	2,092,280
2021-2022	2,047,555
2020-2021	2,013,255

2. State Sources

The majority of the state sources is comprised of the per student foundation allowance. The State of Michigan funds districts based on a blended student enrollment. The blended enrollment consists of 90% of the current year's fall count and 10% of the prior year's spring count. For the 2024-2025 fiscal year, the District received $9,608 per student FTE.

3. *Student Enrollment*

The following schedule summarizes the blended student enrollment for the past five fiscal years:

Fiscal Year	Blended Student FTE
2024-2025	966
2023-2024	989
2022-2023	1,060
2021-2022	1,079
2020-2021	1,161

4. *Operating Grants*

The District funds a significant portion of its operations with categorical sources. For the fiscal year ended June 30, 2025, federal, state, and other grants of this type were $7,460,448.

H. General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to its starting on July 1. Any amendments made to the operating budget must be approved by the Board prior to the close of the fiscal year on June 30. For the 2024-2025 fiscal year, the District amended the general fund budget various times throughout the year. The following schedule shows a comparison of the original general fund budget, the final amended general fund budget and actual totals from operations.

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
REVENUES	$ 14,294,392	$ 15,163,297	$ 15,209,305
EXPENDITURES			
Instruction	$ 8,781,534	$ 9,123,898	$ 8,881,151
Supporting Services	6,147,879	6,160,410	6,117,460
Community Services	49,931	54,160	54,160
Debt Service	291,005	291,005	291,005
Total Expenditures	$ 15,270,349	$ 15,629,473	$ 15,343,776

The revenue budget was amended once it became clear how much the District would receive in state and federal funding. The expenditures were amended because a lot of the expenditures are revenue driven and once the revenue picture became clearer, the District was able to allocate additional funds for expenditures it had not allocated for in its original budget. Expenditures were also reallocated between functions.

The variance between budgeted and actual revenues is mainly due to the District budgeting for less revenue than what was actually received for local sources.

The District typically budgets conservatively as it relates to its expenditures, and this resulted in the actual expenditures being under budget in all activities, causing the variance between final budgeted and actual expenditures.

I. Capital Asset and Debt Administration

1. Capital Assets

At June 30, 2025, the District has $36,667,562 in a broad range of capital assets, including school buildings and facilities, school buses and other vehicles, and various types of equipment including leased equipment. Depreciation/amortization expense for the year amounted to $1,262,930 bringing the accumulated depreciation/amortization to $12,620,881 as of June 30, 2025. The District expended $1,330,365 on capital items during the year, with the majority of that amount ($947,101) coming from its bond proceeds for various building upgrades. Athletic, food service, and other various equipment ($262,747), van ($9,500), and various other building and site improvements ($111,017) made up the rest of the capital items. The District is committed to spend $2,827,493 related to its bond project in 2025-2026.

2. Long-Term Obligations

At June 30, 2025, the District had $11,917,000 in general obligation bonds outstanding. This represents an increase of $2,909,000 from the amount outstanding at the close of the prior fiscal year. The District also reports a net pension liability of $15,770,133. The District reports a liability for compensated absences of $285,899 at June 30, 2025 and the District also had $1,034,017 in notes from direct borrowings and direct placements outstandings at June 30, 2025. More information regarding the long-term obligations of the District can be found in the footnotes to the report.

J. Factors Bearing on the District's Future

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

- The District continues to monitor the pupil count, as that remains the driving force behind its state revenue stream. The District is optimistic that because of its upgraded facilities and programs that the student count will remain stable or even increase.

- Supply chain shortages for many supplies and products that are used in day-to-day activities still exist and the District is doing what it can to mitigate these shortages.

- Staffing certain positions throughout the District remains a challenge the District faces. The District is doing what it can to make the District attractive to prospective employees.

- In August 2020, voters in the District approved a bond proposal. The bond proposal will provide district-wide improvements to address identified and ongoing facility needs based on detailed strategic planning, facility assessments, and community input. The bond proposal was developed to create safe and modern schools and address the aging facilities; the school buildings are between 25 and 60 years old. The District received its first series of these bonds in 2020-2021 and began putting those dollars to work immediately.

In 2021-2022, the District received its second series of bonds. The District issued its third series of the bond in fiscal year 2024-2025.

K. Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact Morley Stanwood Community Schools, 4700 Northland Drive, Morley, Michigan 49336.

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2025

		GOVERNMENTAL ACTIVITIES
ASSETS		
CURRENT ASSETS		
Cash	$	6,551,403
Restricted Investments		3,199,073
Accounts Receivable		81,189
Due from Other Governments		2,590,630
Inventories		8,003
Prepaid Expense		69,576
Total Current Assets		12,499,874
NON CURRENT ASSETS		
Capital and Right to Use Assets (Net of Accumulated Depreciation/Amortization)		
Assets Being Depreciated/Amortized		23,099,580
Assets Not Being Depreciated/Amortized		947,101
Net Other Postemployment Benefits Asset		2,728,996
Total Non Current Assets		26,775,677
TOTAL ASSETS		39,275,551
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources Related to Other Postemployment Benefits		672,778
Deferred Outflows of Resources Related to Pensions		4,465,224
TOTAL DEFERRED OUTFLOWS OF RESOURCES		5,138,002

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

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES
LIABILITIES	
CURRENT LIABILITIES	
Accounts and Retainage Payable	552,801
Accrued Interest Payable	40,108
Salaries and Fringes Payable	1,208,923
Unearned Revenue	635,330
Current Portion of Non Current Liabilities	1,183,349
Total Current Liabilities	3,620,511
NON CURRENT LIABILITIES	
Bonds Payable - Net	12,681,906
Lease Liability	1,034,017
Compensated Absences	285,899
Net Pension Liability	15,770,133
Less Current Portion of Non Current Liabilities	(1,183,349)
Total Non Current Liabilities	28,588,606
TOTAL LIABILITIES	32,209,117
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources Related to Other Postemployment Benefits	3,636,823
Deferred Inflows of Resources Related to Pensions	5,768,383
TOTAL DEFERRED INFLOWS OF RESOURCES	9,405,206
NET POSITION	
Net Investment in Capital Assets	13,280,289
Restricted for Debt Service	727,971
Restricted for Net Other Postemployment Benefits	2,728,996
Unrestricted (Deficit)	(13,938,026)
TOTAL NET POSITION (Deficit)	$ 2,799,230

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

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES: NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES					
Instruction	$ 6,932,318	$ 0	$ 3,902,064	$ 99,803	$ (2,930,451)
Supporting Services	6,619,942	81,009	3,363,131	0	(3,175,802)
Community Services	114,455	0	116,025	0	1,570
Payments to Other Governmental Agencies, Facilities Acquisition, and Prior Period Adjustments	2,609	0	0	0	(2,609)
Interest on Long-Term Debt	460,285	0	79,228	0	(381,057)
Unallocated Depreciation	1,262,930	0	0	0	(1,262,930)
TOTAL GOVERNMENTAL ACTIVITIES	$ 15,392,539	$ 81,009	$ 7,460,448	$ 99,803	(7,751,279)
GENERAL REVENUES					
Property Taxes - General Purposes					2,413,616
Property Taxes - Debt Service					1,106,224
Investment Earnings					321,288
State Sources					6,928,553
Other					22,316
Total General Revenues					10,791,997
Change in Net Position					3,040,718
NET POSITION - Beginning of Year (Deficit), as previously reported					(48,327)
Adjustments to Beginning Net Position					(193,161)
NET POSITION - Beginning of Year (Deficit), as restated					(241,488)
NET POSITION - End of Year					$ 2,799,230

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

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2025

	GENERAL FUND	FOOD SERVICE FUND	2020 DEBT RETIREMENT FUND	2024 CAPITAL PROJECTS FUND	2022 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash	$ 4,440,093	$ 316,967	$ 768,079	$ 0	$ 0	$ 1,026,264	$ 6,551,403
Restricted Investments	0	0	0	3,199,073	0	0	3,199,073
Accounts Receivable	81,189	0	0	0	0	0	81,189
Due from Other Funds	50,264	0	0	0	0	0	50,264
Due from Other Governments	2,579,727	10,903	0	0	0	0	2,590,630
Inventories	0	8,003	0	0	0	0	8,003
Prepaid Expenditures	26,658	42,918	0	0	0	0	69,576
TOTAL ASSETS	$ 7,177,931	$ 378,791	$ 768,079	$ 3,199,073	$ 0	$ 1,026,264	$ 12,550,138
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts and Retainage Payable	$ 292,736	$ 7,875	$ 0	$ 249,542	$ 0	$ 2,648	$ 552,801
Salaries and Fringes Payable	1,178,410	30,513	0	0	0	0	1,208,923
Due to Other Funds	0	50,207	0	0	0	57	50,264
Unearned Revenue	635,330	0	0	0	0	0	635,330
Total Liabilities	2,106,476	88,595	0	249,542	0	2,705	2,447,318
FUND BALANCES							
Nonspendable, Inventory	0	8,003	0	0	0	0	8,003
Nonspendable, Prepaid Expenditures	26,658	42,918	0	0	0	0	69,576
Restricted for Public Library	0	0	0	0	0	83,770	83,770
Restricted for Debt Service	0	0	768,079	0	0	0	768,079
Restricted for Food Service	0	239,275	0	0	0	0	239,275
Restricted for Capital Projects	0	0	0	2,949,531	0	0	2,949,531
Committed for Future Contracts	0	0	0	0	0	21,007	21,007
Committed for Capital Projects	0	0	0	0	0	766,246	766,246
Assigned for Student Activities	0	0	0	0	0	152,536	152,536
Assigned for Subsequent Year Budget Shortfall	1,824,999	0	0	0	0	0	1,824,999
Unassigned	3,219,798	0	0	0	0	0	3,219,798
Total Fund Balances	5,071,455	290,196	768,079	2,949,531	0	1,023,559	10,102,820
TOTAL LIABILITIES AND FUND BALANCE	$ 7,177,931	$ 378,791	$ 768,079	$ 3,199,073	$ 0	$ 1,026,264	$ 12,550,138

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

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

JUNE 30, 2025

Total Governmental Fund Balances		$ 10,102,820
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds.		
The cost of the capital/right to use assets is	$ 36,667,562	
Accumulated depreciation/amortization is	(12,620,881)	24,046,681
Bond discounts (premiums) and deferred charges for bonds issued are expenditures at the modified accrual fund level, but are capitalized and written off over the life of the bonds payable at the district-wide full accrual level.		
Bond Discount (Premium)		(764,906)
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Bonds Payable		(11,917,000)
Compensated Absences		(285,899)
Net Pension Liability		(15,770,133)
Lease Liability		(1,034,017)
Some assets are not current financial resources and are not reported in the funds.		
Net Other Postemployment Benefits Asset		2,728,996
Accrued interest is not included as a liability in government funds. It is recorded when paid.		(40,108)
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Inflows of Resources Related to Pensions and Other Postemployment Benefits		(9,405,206)
Deferred Outflows of Resources Related to Pensions and Other Postemployment Benefits		5,138,002
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 2,799,230

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

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

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

YEAR ENDED JUNE 30, 2025

	GENERAL FUND	FOOD SERVICE FUND	2020 DEBT RETIREMENT FUND	2024 CAPITAL PROJECTS FUND	2022 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Local Sources	$ 2,986,645	$ 29,756	$ 1,140,201	$ 112,014	$ 26	$ 264,983	$ 4,533,625
State Sources	10,800,213	84,028	79,228	0	0	7,518	10,970,987
Federal Sources	888,549	920,284	0	0	0	0	1,808,833
Other Transactions	533,898	0	0	0	0	0	533,898
Total Revenues	15,209,305	1,034,068	1,219,429	112,014	26	272,501	17,847,343
EXPENDITURES							
Instruction							
Basic Programs	6,512,573	0	0	0	0	88,901	6,601,474
Added Needs	2,368,578	0	0	0	0	0	2,368,578
Supporting Services							
Pupil	920,449	0	0	0	0	0	920,449
Instructional Staff	674,326	0	0	0	0	0	674,326
General Administration	447,060	0	0	0	0	0	447,060
School Administration	829,676	0	0	0	0	0	829,676
Business	334,272	0	0	114,796	0	0	449,068
Operation and Maintenance of Plant	1,531,331	0	0	0	0	25,604	1,556,935
Pupil Transportation Services	715,061	0	0	0	0	0	715,061
Support Services	665,285	1,000,654	0	0	0	156,684	1,822,623
Community Services							
Community Activities	54,160	0	0	0	0	0	54,160
School Operated Public Library	0	0	0	0	0	60,295	60,295
Payments to Other Governmental Agencies, Facilities Acquisition and Prior Period Adjustments							
Building Improvement Services	0	0	0	947,101	0	92,050	1,039,151
Debt Service							
Principal	0	0	715,000	0	0	101,000	816,000
Interest and Other	0	0	389,141	0	0	6,175	395,316
Payment on Lease Obligations	291,005	0	0	0	0	0	291,005
Total Expenditures	15,343,776	1,000,654	1,104,141	1,061,897	0	530,709	19,041,177
Excess (Deficiency) of Revenues Over Expenditures	(134,471)	33,414	115,288	(949,883)	26	(258,208)	(1,193,834)
OTHER FINANCING SOURCES (USES)							
Transfers In	50,000	0	0	1,947	0	107,175	159,122
Transfers Out	(107,175)	(50,000)	0	0	(1,947)	0	(159,122)
Face Value of Debt Issued	0	0	0	3,725,000	0	0	3,725,000
Premium on Debt Issued	0	0	0	172,467	0	0	172,467
Total Other Financing Sources (Uses)	(57,175)	(50,000)	0	3,899,414	(1,947)	107,175	3,897,467
Net Change in Fund Balance	(191,646)	(16,586)	115,288	2,949,531	(1,921)	(151,033)	2,703,633
FUND BALANCE - Beginning of Year	5,263,101	306,782	652,791	0	1,921	1,174,592	7,399,187
FUND BALANCE - End of Year	$ 5,071,455	$ 290,196	$ 768,079	$ 2,949,531	$ 0	$ 1,023,559	$ 10,102,820

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

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

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

YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances Total Governmental Funds	$ 2,703,633
Amounts reported for governmental activities are different because:	
Governmental funds report capital outlays as expenditures; in the Statement of Activities these costs are allocated over their estimated useful lives as depreciation/amortization.	
Depreciation/Amortization Expense	(1,262,930)
Capital Outlay	1,330,365
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities over the life of the long-term bond issue.	
Amortization of Bond Premium	31,195
Face Value of Debt Issued	(3,725,000)
Premium on Debt Issued	(172,467)
Accrued interest on bonds is recorded in the Statement of Activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued Interest Payable - Beginning of Year	33,823
Accrued Interest Payable - End of Year	(40,108)
Repayments of principal on long-term debt is an expenditure in the governmental funds, but not in the Statement of Activities (where it is a reduction of liabilities).	1,017,126
Compensated Absences are reported on the accrual method in the Statement of Activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Compensated Absences - Beginning of Year, as restated	296,909
Compensated Absences - End of Year	(285,899)
Governmental funds report District pension and other postemployment benefit contributions as expenditures. However, in the Statement of Activities, the cost of pension and other postemployment benefits earned net of employee contributions is reported as an expense.	
Change in Pension and Other Postemployment Benefits Related Items	2,528,157
Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to Section 147 C pension benefit contributions subsequent to the measurement date.	
Change in State Aid Funding for Pension Benefits	585,914
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 3,040,718

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Morley Stanwood Community Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The School District ("the District") is located in Mecosta, Newaygo, and Montcalm Counties with its administrative offices located in Morley, Michigan. The District operates under an elected 7-member board of education and provides services to its approximately 966 students in elementary, middle school, high school, special education, guidance, health, transportation, food service and community services. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

B. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report the information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The District does not have any business-type activities or component units.

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

The District reports the following major governmental funds:

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

The *Food Service Fund* accounts for the resources that are restricted for the operation of the District's food service that is provides to its students.

The *2020 Debt Retirement Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *2024 Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects.

The *2022 Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects.

Other non-major funds:

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

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

The *Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects.

During the course of operations the government 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 are eliminated so that only the net amount is included as internal balances in the governmental activities column.

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

E. Measurement Focus and Basis of Accounting

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

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

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

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

F. Budgetary Information

1. Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds.

The District's approved budgets were adopted at the function level for the General and Special Revenue Funds. These are the legal enacted levels under the State Uniform Budgeting and Accounting Act and the level of budgetary control adopted by the Board (the level at which expenditures may not legally exceed appropriations).

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

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

a) In June, the superintendent submits to the school board a proposed operating budget for the fiscal year commencing on July 1.

b) A public hearing is conducted during June to obtain taxpayer comments.

c) Prior to June 30, the budget is legally adopted by the School Board resolution pursuant to the Uniform Budgeting and Accounting Act. The Act requires that the budget be amended prior to the end of the fiscal year, when necessary, to adjust appropriations if it appears that revenues and other financial sources will be less than anticipated, or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated.

d) The superintendent is charged with general supervision of the budgets and shall hold the department heads responsible for performance of their responsibilities.

e) For purposes of meeting emergency needs of the school district, transfer of appropriations may be made by the authorization of the superintendent. Such transfers of appropriations must be approved by the Board of Education at its next regularly scheduled meeting.

f) During the year the budgets are monitored and amendments to the budget resolution are made when it is deemed necessary.

g) Budgeted amounts are as originally adopted in June 2024, or as amended by the School Board of Education throughout the year.

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

1. Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. The government considers all highly liquid investments (including certificates of deposit) to be cash equivalents.

2. Investments

Certain investments are valued at fair value as determined by quoted market prices, or by estimated fair values when quoted market prices are not available. Standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration and the rate of return is fixed, and the District intends to hold the investment until maturity.

State statutes authorize the District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings, and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. District or federal agency obligation repurchase agreements, banker’s acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

Investments in the U.S. Treasury securities and those other securities completely guaranteed by the Treasury as to payment of principal and interest may be purchased in any dollar amount or up to 100 percent of the available reserves.

All investments must mature or be redeemable within two years of the date of purchase. The District’s deposits and investments are held separately by several of the District’s funds.

3. *Inventory and Prepaid Items*

Inventory is valued at cost using the first-in/first-out method. Inventory consists of expendable supplies held for consumption, which are recorded as expenditures when consumed rather than when purchased.

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

The nonspendable fund balance at the governmental fund level is equal to the amount of inventories and prepaid items at year-end to indicate the portion of the governmental fund balances that are nonspendable.

4. *Capital Assets*

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated capital assets are valued at acquisition value at the date of the donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Land and construction in progress, if any, are not depreciated. Right to use assets of the District are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Additions	50 years
Machinery and Equipment	5-15 years

The District's capitalization policy is to capitalize individual amounts exceeding $5,000.

5. *Unearned Revenue*

Unearned revenue arises when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized. The District recognizes unearned revenue related to grants received but unspent due to restrictions on how they can be spent.

6. *Deferred Outflows/Inflows of Resources*

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District has various deferred outflows and deferred inflows of resources related to the pension and other post-employment benefit plans its employees participate in. More detail of these deferred outflows and deferred inflows of resources can be found in footnotes 2 – H and 2 – I of this report.

7. Net Position Flow Assumption

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

8. Fund Balance Flow Assumption

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

9. Fund Balance Policies

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

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

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

10. Defined Benefit Plans

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

11. Use of Estimates

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

12. Long-Term Obligations

In the government-wide financial statements, long-term other obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method over the term of the related obligation.

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

13. Restricted Assets

Certain resources are classified as restricted assets on the balance sheet because their use is limited by applicable spending requirements, and they are maintained in separate bank accounts.

14. Leases

Lessee: The District is a lessee for a noncancelable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

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

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

H. Revenues and Expenditures/Expenses

1. State Revenue

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the year ended June 30, 2025, the foundation allowance was based on pupil membership counts taken in October 2024 and February 2024. For fiscal year ended June 30, 2025, the per pupil foundation allowance was $9,608 for Morley Stanwood Community Schools.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes, which may be levied at a rate of up to 18 mills. The State revenue is recognized during the foundation period and is funded through payments from October 2024 to August 2025. Thus, the unpaid portion at June 30th is reported as due from other governmental units.

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

2. Program Revenues

Amounts reported as program revenue include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, state foundation aid, certain revenue from the intermediate school district and other unrestricted items are not included as program revenue but instead as *general revenues*.

3. *Property Taxes*

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are billed as of December 1. The due date is February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

The various counties in which the District is located have tax revolving funds which allow the counties to pay off the various taxing units for their share of the current year real property taxes returned delinquent. Taxes receivable are uncollected delinquent personal property taxes.

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

Fund	Mills
General Fund - Non-Homestead Real	18.0000
General Fund - Commercial PPT	6.0000
Debt Service Fund - Homestead and Non-Homestead	3.0000

4. *Compensated Absences*

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

NOTE 2 – DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2025, the District's bank balance was $6,819,232 and $6,231,907 of that amount was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books consisted of deposits of $6,551,253 and petty cash of $150.

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

Investment Type		Fair Value	Weighted Average Maturity (Years)
Government Bonds	$	1,263,158	0.9041
Michigan CLASS Investment Pool		1,935,915	N/A
	$	3,199,073	
Portfolio Weighted Average Maturity			N/A
1 Day Maturity Equals 0.0027, One Year Equals 1.000			

Credit risk. State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSOs). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

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

Investment Type		Fair Value	Standard & Poor's Rating
Government Bonds	$	1,263,158	AA+
Michigan CLASS Investment Pool		1,935,915	AAAm
	$	3,199,073	

Foreign currency risk. The District is not authorized to invest in investments which have this type of risk; therefore, it is not addressed in the investment policy.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

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

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

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

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

	Level 1	Level 2	Level 3	Balance at June 30, 2025
Investments by fair value level				
Government Bonds	$ 0	$ 1,263,158	$ 0	$ 1,263,158

Investments in Entities that Calculate Net Asset Value Per Share

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

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

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

Investment Type	Fair Value	Unfunded Commitments	Frequency, if Eligible	Redemption Notice Period
Michigan CLASS Investment Pool	$ 1,935,915	$ 0	No Restrictions	None

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

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

	Primary Government
Cash	$ 6,551,403
Restricted Investments	3,199,073
	$ 9,750,476

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor are as follows:

	General	Food Service	Total
Receivables			
Accounts	$ 81,189	$ 0	$ 81,189
Due from Other Governments	2,579,727	10,903	2,590,630
Total Receivables	$ 2,660,916	$ 10,903	$ 2,671,819

Amounts due from other governments include amounts due from federal, state, and local sources for various projects and programs.

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

C. Salaries and Fringes Payable

Salaries and Fringes Payable reported by governmental funds at June 30, 2025, were as follows:

	General Fund	Food Service Fund	Total Governmental Funds
Salaries	$ 827,820	$ 22,513	$ 850,333
Employee Benefits	350,590	8,000	358,590
Total Accrued Liabilities	$ 1,178,410	$ 30,513	$ 1,208,923

D. Capital and Right to Use Assets

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

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated/amortized				
Construction in Progress	$ 0	$ 947,101	$ 0	$ 947,101
Subtotal	0	947,101	0	947,101
Capital assets being depreciated/amortized				
Buildings and Additions	31,850,058	111,017	0	31,961,075
Machinery and Equipment	1,694,615	262,747	0	1,957,362
Right to Use - Leased Equipment	1,526,148	0	0	1,526,148
Transportation Equipment	266,376	9,500	0	275,876
Subtotal	35,337,197	383,264	0	35,720,461
Less accumulated depreciation/amortization for:				
Buildings and Additions	9,703,635	580,151	0	10,283,786
Machinery and Equipment	1,066,770	142,658	0	1,209,428
Right to Use - Leased Equipment	508,716	508,716	0	1,017,432
Transportation Equipment	78,830	31,405	0	110,235
Accumulated depreciation/amortization	11,357,951	1,262,930	0	12,620,881
Net Capital assets being depreciated/amortized	23,979,246	(879,666)	0	23,099,580
Net Capital Assets	$ 23,979,246	$ 67,435	$ 0	$ 24,046,681

Depreciation/amortization for the fiscal year ended June 30, 2025, amounted to $1,262,930. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

E. Long-Term Obligations

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The following is a summary of the long-term obligation transactions for the District for the year ended June 30, 2025:

	COMPENSATED ABSENCES*	NOTES FROM DIRECT BORROWINGS AND DIRECT PLACEMENTS	GENERAL OBLIGATION BONDS	TOTAL
Balance, July 1, 2024, As Restated	$ 296,909	$ 1,235,143	$ 9,008,000	$ 10,540,052
Additions	0	0	3,725,000	3,725,000
Deletions	(11,010)	(201,126)	(816,000)	(1,028,136)
Balance, June 30, 2025	285,899	1,034,017	11,917,000	13,236,916
Less current portion	(185,588)	(215,761)	(782,000)	(1,183,349)
Total due after one year	$ 100,311	$ 818,256	$ 11,135,000	$ 12,053,567

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

The District's debt obligations at June 30, 2025, are comprised of the following issues:

General Obligation Bonds	
2013 School Improvement bond due in annual installments of $12,000 to $13,000 through May 2028, with interest at 3.00% to 3.25%.	$ 37,000
2020 School Building and Site bond, Series I due in annual installments of $145,000 to $245,000 through May 2047, with interest at 2.00% to 5.00%.	4,100,000
2022 School Building and Site bond, Series II due in annual installments of $100,000 to $450,000 through May 2048, with interest at 3.00% to 5.00%.	4,380,000
2024 School Building and Site bond, Series III due in annual installments of $0 to $1,135,000 through May 2050, with interest at 4.00% to 5.00%.	3,400,000
Notes From Direct Borrowings and Direct Placements	
Bus Lease due in annual installments of $215,761 to $818,256 through July 2026 with interest at 7.00%.	1,034,017
Compensated Absences	285,899
	$ 13,236,916

The District's outstanding notes from direct borrowings and direct placements related to governmental activities of $1,034,017 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

The annual requirements to amortize all long-term obligations outstanding as of June 30, 2025, including interest payments of $5,120,828 are as follows:

YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS PRINCIPAL	GENERAL OBLIGATION BONDS INTEREST	NOTES FROM DIRECT BORROWINGS AND DIRECT PLACEMENTS PRINCIPAL	NOTES FROM DIRECT BORROWINGS AND DIRECT PLACEMENTS INTEREST	TOTAL
2025	$ 782,000	$ 435,604	$ 215,761	$ 75,244	$ 1,508,609
2026	442,000	396,744	818,256	59,543	1,716,543
2027	458,000	374,866	0	0	832,866
2028	470,000	352,194	0	0	822,194
2029	420,000	328,694	0	0	748,694
2030-2034	3,135,000	1,343,470	0	0	4,478,470
2035-2039	1,850,000	901,901	0	0	2,751,901
2040-2044	2,165,000	639,368	0	0	2,804,368
2045-2049	2,195,000	213,200	0	0	2,408,200
	$ 11,917,000	$ 4,986,041	$ 1,034,017	$ 134,787	18,071,845
Compensated Absences					285,899
					$18,357,744

Interest expense for the year ended June 30, 2025 was approximately $491,480.

The annual requirements to amortize the net pension liability are uncertain because it is unknown when the repayments will be made. These liabilities will be paid by the fund in which the employee worked, including the general fund and other governmental funds.

F. Interfund Receivables, Payables, and Transfers

Individual fund interfund receivable and payable balances at June 30, 2025, were:

Receivable Fund	Payable Fund	Amount
General Fund	Food Service Fund	$ 50,207
General Fund	Student Activity Fund	57
		$ 50,264

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

Individual fund transfers at June 30, 2025, were:

Fund Transferred To	Fund Transferred From	Amount
General Fund	Food Service Fund	$ 50,000
2013 School Improvement Debt Fund	General Fund	12,480
2010 Energy Debt Fund	General Fund	94,695
2024 Capital Projects Fund	2022 Capital Projects Fund	1,947
		$ 159,122

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

G. Defined Benefit Plan and Postemployment Benefits

Plan Description

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

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

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

Benefits Provided - Overall

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

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

Benefits Provided - Pension

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

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

Pension Reform 2010

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

Pension Reform 2012

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

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

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

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

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

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

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

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

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

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

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

Pension Reform of 2017

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

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

Pension Reform of 2023

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

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

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

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

Member Contributions

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

Employer Contributions

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

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

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

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

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

The District's pension contributions for the year ended June 30, 2025, were equal to the required contribution total. Total pension contributions were approximately $2,570,000. Of the total pension contributions, approximately $2,505,000 was contributed to fund the Defined Benefit Plan and approximately $65,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2025, were equal to the required contribution total. Total OPEB contributions were approximately $216,000. Of the total OPEB contributions, approximately $169,000 was contributed to fund the Defined Benefit Plan and approximately $47,000 was contributed to fund the Defined Contribution Plan.

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

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

The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2023, and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-University Employers Net Pension Liability

	September 30, 2024	September 30, 2023
Total Pension Liability	$ 95,765,499,515	$ 94,947,828,557
Plan Fiduciary Net Position	(71,283,482,728)	(62,581,762,238)
Net Pension Liability	$ 24,482,016,787	$ 32,366,066,319
District's Proportionate Share %	0.06441517%	0.06612115%
District's Proportionate Share of Net Pension Liability	$ 15,770,133	$ 21,400,815

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

For the year ended June 30, 2025, the District recognized pension expense of $1,056,210.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 427,855	$ 171,345
Section 147c revenue related to District Pension contributions subsequent to measurement date	0	681,361
Changes of assumptions	1,644,130	1,155,452
Net difference between projected and actual pension plan investment earnings	0	3,009,610
Changes in proportion and differences between District contributions and proportionate share of contributions	0	750,615
District contributions subsequent to the measurement date	2,393,239	0
Total	$ 4,465,224	$ 5,768,383

$2,393,239 reported as deferred outflows of resources and $681,361 reported as deferred inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Year Ended June 30,		Amount
2026	$	(749,439)
2027		(134,733)
2028		(1,286,804)
2029		(844,061)
	$	(3,015,037)

I. OPEB Liabilities/Assets, OPEB Expense/Benefit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of September 30, 2024, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2023, and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability (asset) was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-University Employers Net OPEB Liability (Asset)

		September 30, 2024		September 30, 2023
Total OPEB Liability	$	9,991,545,923	$	11,223,648,949
Plan Fiduciary Net Position		(14,295,943,589)		(11,789,347,341)
Net OPEB Liability (Asset)	$	(4,304,397,666)	$	(565,698,392)
District's Proportionate Share %		0.06340018%		0.06481237%
District's Proportionate Share of Net OPEB Liability (Asset)	$	(2,728,996)	$	(366,643)

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

For the year ended June 30, 2025, the District recognized OPEB benefit of $1,001,020.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 0	$ 2,891,902
Changes of assumptions	596,052	68,511
Net difference between projected and actual OPEB plan investment earnings	0	516,630
Changes in proportion and differences between District contributions and proportionate share of contributions	23,425	159,780
District contributions subsequent to the measurement date	0 53,301	0
Total	$ 672,778	$ 3,636,823

$53,301 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or as an increase of the net OPEB asset in the subsequent fiscal year.

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

Year Ended June 30,	Amount
2026	$ (960,190)
2027	(605,337)
2028	(582,057)
2029	(526,288)
2030	(289,616)
Thereafter	(53,858)
	$ (3,017,346)

J. **Actuarial Assumptions**

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

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

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

Inflation - 3.0%.

Mortality Assumptions -

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

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

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

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

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

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

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

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

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

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

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

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

Investment Category	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity Pools	25.00%	5.30%
Private Equity Pools	16.00%	9.00%
International Equity Pools	15.00%	6.50%
Fixed Income Pools	13.00%	2.20%
Real Estate & Infrastructure Pools	10.00%	7.10%
Absolute Return Pools	9.00%	5.20%
Real Return/Opportunistic Pools	10.00%	6.90%
Short-Term Investment Pools	2.00%	1.40%
	100%	

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

Rate of Return

For fiscal year ended September 30, 2025, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 15.47% and 15.45%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Discount Rate

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

OPEB Discount Rate

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

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

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

Pension		
1% Decrease	**Pension Discount Rate**	**1% Increase**
$ 23,119,184	$ 15,770,133	$ 9,650,634

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

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using a single discount rate of 6.00%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

OPEB		
1% Decrease	**OPEB Discount Rate**	**1% Increase**
$ (2,108,991)	$ (2,728,996)	$ (3,265,056)

Sensitivity of the Net OPEB Liability/Asset to Changes in the Healthcare Cost Trend Rates

The following presents the District's proportionate share of the net other postemployment benefit liability (asset) calculated using the healthcare cost trend rate as well as what the District's proportionate share of the net other postemployment benefit liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

OPEB		
1% Decrease	**Current Healthcare Cost Trend Rates**	**1% Increase**
$ (3,265,062)	$ (2,728,996)	$ (2,154,068)

K. Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2024 Annual Comprehensive Financial Report.

L. Payables to the Pension and OPEB Plan

As of June 30, 2025, the District is current on all required pension and OPEB plan payments. As of June 30, 2025, the District reported payables in the amount of $377,696 to the pension and OPEB plan. These amounts represent current payments for June wages paid in July, accruals for summer pay primarily for teachers and also the contributions due from state revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

M. Risk Management

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) as well as medical benefits provided to employees.

The District participates in a distinct pool of schools within the State of Michigan for various risks of loss, including general liability, property and casualty, employee health, accident insurance and workers' disability compensation. The pool is considered a public entity risk pool. The school pays annual premiums to each pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The District has not been informed of any special assessments being required.

N. Single Audit Report

The District is required to have an audit performed in accordance with the guidelines of the Single Audit Act of 1984, as amended. This audit has been performed and the reports based thereon have been issued under separate cover.

O. Commitments & Contingencies

Under the terms of various federal and state grants and regulatory requirements, periodic audits are required, and certain cost may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement of the grantor or regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the District.

As of June 30, 2025, the District has committed to spending $4,490,899 for various construction projects, of which $1,663,406 has been expensed and $2,827,493 remains committed.

P. Capital Projects Funds

The Capital Projects Funds include capital project activities funded with bonds. For these capital projects, the District has complied with the applicable provisions of Section 1351a of the Revised School Code. The 2024 Capital Projects Fund is not yet considered substantially complete and a subsequent year audit is expected.

Beginning with the year of bond issuance, the District has reported the annual construction activity in the 2022 Capital Projects Fund. The project for which the 2022 School Building and Site and Bonds, Series II were issued was considered complete on June 30, 2024 and the cumulative expenditures recognized for the construction period were $5,586,505.

Q. Subsequent Event

Subsequent to June 30, 2025, the District accepted a bid to construct a new retention pond to alleviate drainage issues. The cost of the pond is approximately $320,000. The financial statements have not been adjusted as a result of this subsequent event.

NOTE 3 –CHANGE IN ACCOUNTING PRINCIPLE

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

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

NOTE 4 - ADJUSTMENTS TO BEGINNING FUND BALANCES/NET POSITION

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

Reporting Unit Affected by Adjustments to and Restatements of Beginning Balances

	Governmental Activities	
Net Position (Deficit), as previously reported	$	(48,327)
Change in Accounting Principle (GASB 101)		(193,161)
Net Position (Deficit), as restated	$	(241,488)

NOTE 5 – UPCOMING ACCOUNTING PRONOUCEMENTS

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

a. Management's discussion and analysis (MD&A);

   i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:

      1) Overview of the Financial Statements,
      2) Financial Summary,
      3) Detailed Analyses,
      4) Significant Capital Asset and Long-Term Financing Activity,
      5) Currently Known Facts, Decisions, or Conditions;

   ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;

   iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;

b. Unusual or infrequent items;

c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;

   i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;

   ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;

d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;

e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

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

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

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2025

	GENERAL FUND				FOOD SERVICE FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES								
Local Sources	$ 2,714,258	$ 2,884,495	$ 2,986,645	$ 102,150	$ 25,423	$ 30,210	$ 29,756	$ (454)
State Sources	10,397,942	10,859,401	10,800,213	(59,188)	68,000	77,488	84,028	6,540
Federal Sources	642,192	885,503	888,549	3,046	950,000	921,123	920,284	(839)
Other Transactions	540,000	533,898	533,898	0	0	0	0	0
Total Revenues	14,294,392	15,163,297	15,209,305	46,008	1,043,423	1,028,821	1,034,068	5,247
EXPENDITURES								
Instruction								
Basic Programs	6,421,062	6,735,506	6,512,573	(222,933)	0	0	0	0
Added Needs	2,360,472	2,388,392	2,368,578	(19,814)	0	0	0	0
Supporting Services								
Pupil	901,491	921,352	920,449	(903)	0	0	0	0
Instructional Staff	652,312	685,447	674,326	(11,121)	0	0	0	0
General Administration	499,721	451,010	447,060	(3,950)	0	0	0	0
School Administration	903,623	840,249	829,676	(10,573)	0	0	0	0
Business	348,821	338,558	334,272	(4,286)	0	0	0	0
Operation and Maintenance of Plant	1,261,294	1,536,331	1,531,331	(5,000)	0	0	0	0
Pupil Transportation Services	788,607	719,219	715,061	(4,158)	0	0	0	0
Support Services	792,010	668,244	665,285	(2,959)	1,031,853	1,083,491	1,000,654	(82,837)
Community Services								
Community Activities	49,931	54,160	54,160	0	0	0	0	0
Debt Service	291,005	291,005	291,005	0	0	0	0	0
Total Expenditures	15,270,349	15,629,473	15,343,776	(285,697)	1,031,853	1,083,491	1,000,654	(82,837)
Excess (Deficiency) of Revenues Over Expenditures	(975,957)	(466,176)	(134,471)	331,705	11,570	(54,670)	33,414	88,084
OTHER FINANCING SOURCES (USES)								
Transfers In (Out)	(83,817)	(57,487)	(57,175)	312	(25,000)	(50,000)	(50,000)	0
Net Change in Fund Balance	(1,059,774)	(523,663)	(191,646)	332,017	(13,430)	(104,670)	(16,586)	88,084
FUND BALANCE - Beginning of Year	5,486,070	5,263,101	5,263,101	0	245,255	306,782	306,782	0
FUND BALANCE - End of Year	$ 4,426,296	$ 4,739,438	$ 5,071,455	$ 332,017	$ 231,825	$ 202,112	$ 290,196	$ 88,084

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH PLAN YEAR)
JUNE 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of net pension liability (%)	0.06442%	0.06612%	0.06732%	0.06751%	0.06788%	0.06660%	0.06631%	0.06670%	0.66193%	0.06585%
District's proportionate share of net pension liability	$ 15,770,133	$ 21,400,815	$ 25,317,152	$ 15,983,827	$ 23,316,491	$ 22,055,876	$ 19,934,136	$ 17,284,969	$ 16,514,525	$ 16,083,819
District's covered payroll	6,628,260	6,449,148	6,476,921	6,002,833	6,020,362	5,836,227	5,614,114	5,589,654	5,576,641	5,474,204
District's proportionate share of net pension liability as a percentage of its covered payroll	237.92%	331.84%	390.88%	266.27%	387.29%	377.91%	355.07%	309.23%	296.14%	293.81%
Plan fiduciary net position as a percentage of total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)
JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	$ 2,505,338	$ 2,694,475	$ 3,037,330	$ 2,244,828	$ 1,925,442	$ 1,774,093	$ 1,721,487	$ 1,688,984	$ 1,599,065	$ 1,540,005
Contributions in relation to statutorily required contributions	2,505,338	2,694,475	3,037,330	2,244,828	1,925,442	1,774,093	1,721,487	1,688,984	1,599,065	1,540,005
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 6,806,917	$ 6,568,157	$ 6,606,805	$ 6,147,491	$ 5,956,554	$ 6,038,000	$ 5,778,458	$ 5,532,841	$ 5,781,596	$ 5,548,095
Contributions as a percentage of covered payroll	36.81%	41.02%	45.97%	36.52%	32.32%	29.38%	29.79%	30.53%	27.66%	27.76%

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY/ASSET
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH PLAN YEAR)
JUNE 30, 2025

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of net OPEB liability/asset (%)			0.06340%	0.06481%	0.06701%	0.06688%	0.06814%	0.06688%	0.06602%	0.06666%
District's proportionate share of net OPEB liability/asset			$ (2,728,996)	$ (366,643)	$ 1,419,233	$ 1,020,845	$ 3,650,519	$ 4,800,596	$ 5,247,778	$ 5,903,056
District's covered payroll			6,628,260	6,449,148	6,476,921	6,002,833	6,020,362	5,836,227	5,614,114	5,589,654
District's proportionate share of net OPEB liability/asset as a percentage of its covered payroll			-41.17%	-5.69%	21.91%	17.01%	60.64%	82.26%	93.47%	105.61%
Plan fiduciary net position as a percentage of total OPEB liability/asset			143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFIT CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)
JUNE 30, 2025

	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions			$ 168,552	$ 509,808	$ 483,655	$ 476,077	$ 433,243	$ 425,932	$ 441,772	$ 404,398
Contributions in relation to statutorily required contributions			168,552	509,808	483,655	476,077	433,243	425,932	441,772	404,398
Contribution deficiency (excess)			$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll			$ 6,806,917	$ 6,568,157	$ 6,606,805	$ 6,147,491	$ 5,956,554	$ 6,038,000	$ 5,778,458	$ 5,532,841
Contributions as a percentage of covered payroll			2.48%	7.76%	7.32%	7.74%	7.27%	7.05%	7.65%	7.31%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR YEAR ENDED JUNE 30, 2025

Pension Information

Changes of Benefit Terms - There were no changes of benefit terms for the plan year ended September 30, 2024.

Changes of Assumptions – The assumption changes for the plan year ended September 30, 2024 were:

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

OPEB Information

Changes of Benefit Terms - There were no changes of benefit terms for the plan year ended September 30, 2024.

Changes of Assumptions – The assumption changes for the plan year ended September 30, 2024 were:

- 2024 - The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage point for members over 65.
- 2023 - The health care cost trend rate used in the September 30, 2022 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional $1.1 billion in 2022.
- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by $1.3 billion in 2021.

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

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

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

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES

JUNE 30, 2025

	SPECIAL REVENUE FUNDS	DEBT RETIREMENT FUNDS	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash	$ 239,011	$ 0	$ 787,253	$ 1,026,264
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 2,648	$ 0	$ 0	$ 2,648
Due to Other Funds	57	0	0	57
Total Liabilities	2,705	0	0	2,705
FUND BALANCE				
Restricted for Public Library	83,770	0	0	83,770
Committed for Capital Projects	0	0	766,246	766,246
Committed for Future Contracts	0	0	21,007	21,007
Assigned for Student Activities	152,536	0	0	152,536
Total Fund Balances	236,306	0	787,253	1,023,559
TOTAL LIABILITIES AND FUND BALANCES	$ 239,011	$ 0	$ 787,253	$ 1,026,264

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS	DEBT RETIREMENT FUNDS	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Local Sources	$ 228,880	$ 0	$ 36,103	$ 264,983
State Sources	7,518	0	0	7,518
Total Revenues	236,398	0	36,103	272,501
EXPENDITURES				
Instruction				
Basic Programs				
Elementary	0	0	27,731	27,731
High School	0	0	61,170	61,170
Support Services				
Operations and Maintenance	0	0	25,604	25,604
Student Activities	156,684	0	0	156,684
Community Services				
School Operated Public Library	60,295	0	0	60,295
Payments to Other Governmental Agencies, Facilities Acquisition, and Prior Period Adjustments				
Facilities Acquisition, Construction and Improvements	0	0	92,050	92,050
Debt Service				
Principal	0	101,000	0	101,000
Interest and Other	0	6,175	0	6,175
Total Expenditures	216,979	107,175	206,555	530,709
Excess (Deficiency) of Revenues Over Expenditures	19,419	(107,175)	(170,452)	(258,208)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	0	107,175	0	107,175
Net Change in Fund Balance	19,419	0	(170,452)	(151,033)
FUND BALANCE - Beginning of Year	216,887	0	957,705	1,174,592
FUND BALANCE - End of Year	$ 236,306	$ 0	$ 787,253	$ 1,023,559

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

GENERAL FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
ASSETS		
Cash	$ 4,440,093	$ 4,628,998
Accounts Receivable	81,189	93,444
Due from Other Funds	50,264	50,877
Due from Other Governments	2,579,727	2,783,411
Prepaid Expenditures	26,658	26,074
TOTAL ASSETS	$ 7,177,931	$ 7,582,804
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 292,736	$ 441,478
Salaries and Fringes Payable	1,178,410	1,092,599
Unearned Revenue	635,330	785,626
Total Liabilities	2,106,476	2,319,703
FUND BALANCE		
Nonspendable, Prepaid Expenditures	26,658	26,074
Assigned for Subsequent Year Budget Shortfall	1,824,999	1,059,774
Unassigned	3,219,798	4,177,253
Total Fund Balance	5,071,455	5,263,101
TOTAL LIABILITIES AND FUND BALANCE	$ 7,177,931	$ 7,582,804

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2025	2024
REVENUES		
Local Sources	$ 2,986,645	$ 2,669,303
State Sources	10,800,213	11,133,845
Federal Sources	888,549	1,031,346
Other Transactions	533,898	544,041
Total Revenues	15,209,305	15,378,535
EXPENDITURES		
Instruction		
Basic Programs		
Elementary	3,220,717	3,221,553
Middle/Junior High	1,432,732	1,513,468
High School	1,859,124	2,158,509
Added Needs		
Special Education	1,611,108	1,725,075
Compensatory Education	757,470	661,604
Supporting Services		
Pupil		
Truancy/Absenteeism Services	7,785	9,573
Guidance Services	113,256	122,185
Health Services	11,684	0
Social Work Services	674,685	609,301
Other Pupil Services	113,039	122,771
Instructional Staff		
Improvement of Instruction	560,782	538,582
Educational Media Services	0	42,276
Computer-Assisted Instruction	2,496	0
Supervision and Direction of Instructional Staff	107,423	97,204
Academic Student Assessment	3,625	8,168
General Administration		
Board of Education	79,181	73,261
Executive Administration	367,879	381,379
Grant Writer	0	12,104
School Administration		
Office of the Principal	829,676	845,438
Business		
Fiscal Services	305,323	251,615
Other Business Services	28,949	30,471

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2025	2024
Operation and Maintenance of Plant		
Operating Building Services	1,531,331	1,359,872
Security Services	0	4,000
Pupil Transportation Services		
Pupil Transportation Services	715,061	2,310,665
Support Services		
Staff Personnel Services	12,298	9,727
Support Services Technology	279,430	271,653
Athletic Activities	373,557	350,375
Community Services		
Community Activities	46,922	54,609
Welfare Activities	7,238	5,636
Debt Service		
Payments on Lease Obligations	291,005	291,005
Total Expenditures	15,343,776	17,082,079
Excess (Deficiency) of Revenues Over Expenditures	(134,471)	(1,703,544)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)		
Food Service Fund	50,000	50,000
2013 School Improvement Debt Retirement Fund	(12,480)	(11,760)
2010 Energy Bond Debt Retirement Fund	(94,695)	(93,518)
Capital Projects Fund	0	(20,000)
Proceeds from Lease Transactions	0	1,526,148
Total Other Financing Sources (Uses)	(57,175)	1,450,870
Net Change in Fund Balance	(191,646)	(252,674)
FUND BALANCE - Beginning of Year	5,263,101	5,515,775
FUND BALANCE - End of Year	$ 5,071,455	$ 5,263,101

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

GENERAL FUND
COMPARATIVE ANALYSIS OF REVENUES

YEAR ENDED JUNE 30,

	2025	2024
LOCAL SOURCES		
Property Tax Levy	$ 2,413,579	$ 2,276,709
Other Taxes	37	946
Earnings on Investments	136,352	132,328
Other Local Revenues		
Athletics	51,896	64,206
Medicaid Fees	59,728	61,619
Transportation Reimbursements	41,589	29,113
Miscellaneous	283,464	104,382
Total Local Sources	2,986,645	2,669,303
STATE SOURCES		
Grants-In-Aid		
Received through the State		
State School Aid	10,800,213	11,133,845
FEDERAL SOURCES		
Grant-In-Aid Restricted		
Received through the State		
Title I	679,508	551,428
Title II Part A Teacher Training	45,512	86,364
Title V	36,689	32,711
Title IV	28,578	38,251
Filter First Hydration	52,821	0
ESSER III	0	232,987
ARP Homeless	11,666	6,883
GEER - Learning Loss	0	38,823
GEER II - Section 11bb	19,782	0
Received through the County		
Schools and Roads	1,104	4,284
Received through Intermediate School District		
Title I	0	33,436
Medicaid Outreach	12,889	6,179
Total Federal Sources	888,549	1,031,346
OTHER TRANSACTIONS		
Transfers from Other Governmental Units	533,898	544,041
Total Revenues	15,209,305	15,378,535
OTHER FINANCING SOURCES		
Transfers In	50,000	50,000
Proceeds from Lease Transactions	0	1,526,148
Total Other Financing Sources	50,000	1,576,148
TOTAL REVENUES AND OTHER SOURCES	$ 15,259,305	$ 16,954,683

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

GENERAL FUND
COMPARATIVE ANALYSIS OF EXPENDITURES

YEAR ENDED JUNE 30,

	2025	2024
INSTRUCTION		
Basic Programs		
Elementary		
Salaries	$ 1,768,286	$ 1,568,776
Employee Benefits	1,240,005	1,428,674
Purchased Services	89,436	90,721
Supplies and Materials	122,964	132,880
Dues, Fees and Miscellaneous	26	502
Total Elementary	3,220,717	3,221,553
Middle School/Junior High		
Salaries	628,470	693,483
Employee Benefits	590,218	652,773
Purchased Services	79,817	108,957
Supplies and Materials	126,846	58,066
Capital Outlay	7,170	0
Dues, Fees and Miscellaneous	211	189
Total Middle School/Junior High	1,432,732	1,513,468
High School		
Salaries	918,083	956,711
Employee Benefits	689,245	841,133
Purchased Services	176,971	169,108
Supplies and Materials	65,510	177,714
Dues, Fees and Miscellaneous	9,315	13,843
Total High School	1,859,124	2,158,509
Added Needs		
Special Education		
Salaries	945,922	924,090
Employee Benefits	653,380	782,877
Purchased Services	7,058	4,524
Supplies and Materials	4,042	11,147
Dues, Fees and Miscellaneous	706	2,437
Total Special Education	1,611,108	1,725,075
Compensatory Education		
Salaries	396,787	320,210
Employee Benefits	309,317	267,576
Purchased Services	6,579	6,089
Supplies and Materials	44,787	67,729
Total Compensatory Education	757,470	661,604

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

GENERAL FUND
COMPARATIVE ANALYSIS OF EXPENDITURES

YEAR ENDED JUNE 30,

	2025	2024
SUPPORTING SERVICES		
Pupil Services		
Truancy/Absenteeism Services		
Dues, Fees, and Miscellaneous	7,785	9,573
Guidance Services		
Salaries of Counselors	72,115	65,305
Employee Benefits	40,574	41,880
Purchased Services	567	15,000
Total Guidance Services	113,256	122,185
Health Services		
Purchased Services	11,684	0
Social Work Services		
Salaries	363,793	335,013
Employee Benefits	297,534	258,121
Purchased Services	699	499
Supplies and Materials	12,659	15,668
Total Social Work Services	674,685	609,301
Other Pupil Services		
Salaries	78,587	84,605
Employee Benefits	34,452	38,131
Supplies and Materials	0	35
Total Other Pupil Services	113,039	122,771
Instructional Staff		
Improvement of Instruction		
Salaries	303,234	288,390
Employee Benefits	211,601	183,670
Purchased Services	41,977	63,664
Supplies and Materials	3,970	2,708
Dues, Fees and Miscellaneous	0	150
Total Improvement of Instruction	560,782	538,582
Educational Media Services		
Salaries	0	23,430
Employee Benefits	0	18,846
Total Educational Media Services	0	42,276
Computer-Assisted Instruction		
Supplies and Materials	2,496	0

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

GENERAL FUND
COMPARATIVE ANALYSIS OF EXPENDITURES

YEAR ENDED JUNE 30,

	2025	2024
Supervision and Direction of Instructional Staff		
Salaries	87,841	80,855
Employee Benefits	19,422	16,155
Purchased Services	160	194
Total Supervision and Direction of Instructional Staff	107,423	97,204
Academic Student Assessment		
Purchased Services	3,625	8,168
General Administrative Services		
Board of Education		
Salaries	2,356	2,130
Employee Benefits	283	275
Purchased Services	67,228	65,240
Dues, Fees and Miscellaneous	9,314	5,616
Total Board of Education	79,181	73,261
Executive Administration		
Salaries	197,685	171,285
Employee Benefits	138,945	151,792
Purchased Services	20,285	16,992
Supplies and Materials	1,765	22,973
Dues, Fees and Miscellaneous	9,199	18,337
Total Executive Administration	367,879	381,379
Grant Writer		
Salaries	0	7,823
Employee Benefits	0	4,231
Dues, Fees and Miscellaneous	0	50
Total Grant Writer	0	12,104
School Administrative Services		
Office of the Principal		
Salaries	476,953	456,868
Employee Benefits	341,439	380,622
Purchased Services	5,346	1,528
Materials and Supplies	2,820	3,722
Dues, Fees, and Miscellaneous	3,118	2,698
Total Office of the Principal	829,676	845,438

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

GENERAL FUND
COMPARATIVE ANALYSIS OF EXPENDITURES

YEAR ENDED JUNE 30,

	2025	2024
Business Services		
Fiscal Services		
Salaries	187,171	142,870
Employee Benefits	113,129	103,391
Purchased Services	1,912	1,815
Supplies and Materials	1,302	2,766
Dues, Fees, and Miscellaneous	1,809	773
Total Fiscal Services	305,323	251,615
Other Business Services		
Purchased Services	26,076	20,663
Dues, Fees, and Miscellaneous	2,873	9,808
Total Other Business	28,949	30,471
Operation and Maintenance of Plant		
Operating Building Services		
Salaries of Custodians	11,517	12,318
Employee Benefits	5,146	6,726
Purchased Services	981,734	916,362
Materials and Supplies	529,242	421,820
Dues, Fees and Miscellaneous	3,692	2,646
Total Operating Building Services	1,531,331	1,359,872
Security Services		
Purchased Services	0	4,000
Pupil Transportation Services		
Pupil Transportation Services		
Salaries	360,679	322,755
Employee Benefits	232,964	231,675
Purchased Services	42,238	23,860
Supplies and Materials	66,493	83,977
Capital Outlay	9,500	1,645,840
Dues, Fees and Miscellaneous	3,187	2,558
Total Pupil Transportation Services	715,061	2,310,665
Support Services		
Staff Personnel Services		
Employee Benefits	3,001	5,511
Purchased Services	9,097	2,432
Dues, Fees and Miscellaneous	200	1,784
Total Staff Personnel Services	12,298	9,727

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

GENERAL FUND
COMPARATIVE ANALYSIS OF EXPENDITURES

YEAR ENDED JUNE 30,

	2025	2024
Support Services - Technology		
Salaries	106,276	96,359
Employee Benefits	73,118	75,916
Purchased Services	74,903	64,740
Supplies and Materials	17,839	27,143
Dues, Fees and Miscellaneous	7,294	7,495
Total Support Services - Technology	279,430	271,653
Athletic Activities		
Salaries	158,623	153,306
Employee Benefits	87,127	93,693
Purchased Services	69,870	65,194
Supplies and Materials	19,127	24,780
Capital Outlay	27,260	6,180
Dues, Fees and Miscellaneous	11,550	7,222
Total Athletic Activities	373,557	350,375
COMMUNITY SERVICES		
Community Activities		
Salaries	11,635	14,658
Employee Benefits	4,420	5,160
Supplies and Materials	30,867	34,791
Total Community Activities	46,922	54,609
Welfare Activities		
Supplies and Materials	7,238	5,636
DEBT SERVICE		
Debt Service		
Payments on Lease Obligations	291,005	291,005
Total Expenditures	15,343,776	17,082,079
OTHER FINANCING USES		
Transfers Out		
2013 School Improvement Debt Retirement Fund	12,480	11,760
2010 Energy Bond Debt Retirement Fund	94,695	93,518
Capital Projects Fund	0	20,000
Total Other Financing Uses	107,175	125,278
TOTAL EXPENDITURES AND OTHER USES	$ 15,450,951	$ 17,207,357

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

FOOD SERVICE FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

		2025		2024
ASSETS				
Cash	$	316,967	$	341,253
Due from Other Governments		10,903		4,719
Inventory		8,003		11,674
Prepaid Expenditures		42,918		43,952
TOTAL ASSETS	$	378,791	$	401,598
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	$	7,875	$	11,287
Due to Other Governments		0		2,306
Salaries and Fringes Payable		30,513		31,223
Due to Other Funds		50,207		50,000
Total Liabilities		88,595		94,816
FUND BALANCE				
Nonspendable, Inventory		8,003		11,674
Nonspendable, Prepaid Expenditures		42,918		43,952
Restricted for Food Service		239,275		251,156
Total Fund Balance		290,196		306,782
TOTAL LIABILITIES AND FUND BALANCE	$	378,791	$	401,598

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

FOOD SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2025	2024
REVENUES		
Local Sources		
Earnings on Investments and Deposits	$ 525	$ 558
Children's Lunches	8,585	7,988
Adult Lunches	6,352	7,216
Snack Bar	238	717
Miscellaneous	14,056	19,924
Total Local Sources	29,756	36,403
State Sources		
State Aid - Regular	59,028	55,251
State Aid - 147C	25,000	25,000
Total State Sources	84,028	80,251
Federal Sources		
Federal Aid - Regular	862,538	890,373
Federal Aid - U.S.D.A. Commodities	57,746	62,234
Total Federal Sources	920,284	952,607
Total Revenues	1,034,068	1,069,261
EXPENDITURES		
Salaries	218,927	230,058
Employee Benefits	163,239	173,914
Purchased Services	171,010	152,392
Supplies and Materials	422,681	448,152
Capital Outlay	18,249	92,045
Other Expenditures	6,548	5,680
Total Expenditures	1,000,654	1,102,241
Excess (Deficiency) of Revenues Over Expenditures	33,414	(32,980)
OTHER FINANCING SOURCES (USES)		
Transfers Out	(50,000)	(50,000)
Net Change in Fund Balance	(16,586)	(82,980)
FUND BALANCE - Beginning of Year	306,782	389,762
FUND BALANCE - End of Year	$ 290,196	$ 306,782

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

2020 DEBT RETIREMENT FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
ASSETS		
Cash	$ 768,079	$ 653,668
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Other Funds	$ 0	$ 877
FUND BALANCE		
Restricted for Debt Service	768,079	652,791
TOTAL LIABILITIES AND FUND BALANCE	$ 768,079	$ 653,668

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

2020 DEBT RETIREMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2025	2024
REVENUES		
Local Sources		
Property Tax Levy	$ 1,106,224	$ 1,026,303
Earnings on Investments	33,977	30,418
State Sources		
Personal Property Reimbursement	79,228	80,116
Total Revenues	1,219,429	1,136,837
EXPENDITURES		
Principal Payments	715,000	655,000
Interest Payments	388,141	336,994
Miscellaneous	1,000	1,000
Total Expenditures	1,104,141	992,994
Excess (Deficiency) of Revenues Over Expenditures	115,288	143,843
FUND BALANCE - Beginning of Year	652,791	508,948
FUND BALANCE - End of Year	$ 768,079	$ 652,791

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

2024 CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30, 2025

	2025
ASSETS	
Restricted Investments	$ 3,199,073
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts and Retainage Payable	$ 249,542
FUND BALANCE	
Restricted for Capital Projects	2,949,531
TOTAL LIABILITIES AND FUND BALANCE	$ 3,199,073

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

2024 CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	2025
REVENUES	
Local Sources	
Earnings on Investments	$ 112,014
EXPENDITURES	
Supporting Services	
Other Business Services	114,796
Payments to Other Governmental Agencies, Facilities Acquisition and Prior Period Adjustments	
Facilities Acquisition, Construction and Improvements	
Building Improvements Services	947,101
Total Expenditures	1,061,897
Excess (Deficiency) of Revenues Over Expenditures	(949,883)
OTHER FINANCING SOURCES (USES)	
Face Value of Debt Issued	3,725,000
Premium on Debt Issued	172,467
Transfers In	
2022 Capital Projects Fund	1,947
Total Other Financing Sources (Uses)	3,899,414
Net Change in Fund Balance	2,949,531
FUND BALANCE - Beginning of Year	0
FUND BALANCE - End of Year	$ 2,949,531

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

2022 CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
ASSETS		
Restricted Investments	$ 0	$ 1,921
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ 0	$ 0
FUND BALANCE		
Restricted for Capital Projects	0	1,921
TOTAL LIABILITIES AND FUND BALANCE	$ 0	$ 1,921

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

2022 CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2025	2024
REVENUES		
Local Sources		
Earnings on Investments	$ 26	$ 88,974
EXPENDITURES		
Payments to Other Governmental Agencies, Facilities Acquisition and Prior Period Adjustments		
Facilities Acquisition, Construction and Improvements		
Site Improvements Services	0	85,762
Building Improvements Services	0	3,537,095
Total Expenditures	0	3,622,857
Excess (Deficiency) of Revenues Over Expenditures	26	(3,533,883)
OTHER FINANCING SOURCES (USES)		
Transfers In		
2020 Capital Projects Fund	0	13,958
Transfers Out		
2024 Capital Projects Fund	(1,947)	0
Total Other Financing Sources (Uses)	(1,947)	13,958
Net Change in Fund Balance	(1,921)	(3,519,925)
FUND BALANCE - Beginning of Year	1,921	3,521,846
FUND BALANCE - End of Year	$ 0	$ 1,921

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2025
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2024

	PUBLIC LIBRARY	STUDENT ACTIVITY	TOTALS 2025	TOTALS 2024
ASSETS				
Cash	$ 83,770	$ 155,241	$ 239,011	$ 216,887
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	$ 0	$ 2,648	$ 2,648	$ 0
Due to Other Funds	0	57	57	0
Total Liabilities	0	2,705	2,705	0
FUND BALANCE				
Restricted for:				
Public Library	83,770	0	83,770	80,209
Assigned for Student Activities	0	152,536	152,536	136,678
Total Fund Balance	83,770	152,536	236,306	216,887
TOTAL LIABILITIES AND FUND BALANCE	$ 83,770	$ 155,241	$ 239,011	$ 216,887

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2024

	PUBLIC LIBRARY	STUDENT ACTIVITY	TOTALS 2025	TOTALS 2024
REVENUES				
Local Sources	$ 56,338	$ 172,542	$ 228,880	$ 212,098
State Sources	7,518	0	7,518	7,032
Total Revenues	63,856	172,542	236,398	219,130
EXPENDITURES				
Salaries	34,655	0	34,655	42,941
Employee Benefits	13,657	0	13,657	17,775
Purchased Services	11,372	0	11,372	13,585
Other Expenditures	611	156,684	157,295	166,457
Total Expenditures	60,295	156,684	216,979	240,758
Excess (Deficiency) of Revenues Over Expenditures	3,561	15,858	19,419	(21,628)
FUND BALANCE - Beginning of Year	80,209	136,678	216,887	238,515
FUND BALANCE - End of Year	$ 83,770	$ 152,536	$ 236,306	$ 216,887

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

PUBLIC LIBRARY FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
ASSETS		
Cash	$ 83,770	$ 80,209
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ 0	$ 0
FUND BALANCE		
Restricted for Public Library	83,770	80,209
TOTAL LIABILITIES AND FUND BALANCE	$ 83,770	$ 80,209

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

PUBLIC LIBRARY FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2025	2024
REVENUES		
Local Sources		
Earnings on Investments and Deposits	$ 2,291	$ 2,223
Penal Fines	35,165	39,426
Township Aid	13,664	12,951
Miscellaneous	5,218	6,572
Total Local Sources	56,338	61,172
State Sources		
State Aid	7,518	7,032
Total Revenues	63,856	68,204
EXPENDITURES		
Community Services		
School Operated Public Library		
Salaries	34,655	42,941
Employee Benefits	13,657	17,775
Purchased Services	11,372	13,585
Other Expenditures	611	644
Total Expenditures	60,295	74,945
Excess (Deficiency) of Revenues Over Expenditures	3,561	(6,741)
FUND BALANCE - Beginning of Year	80,209	86,950
FUND BALANCE - End of Year	$ 83,770	$ 80,209

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

STUDENT ACTIVITY FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
ASSETS		
Cash	$ 155,241	$ 136,678
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 2,648	$ 0
Due to Other Funds	57	0
Total Liabilities	2,705	0
FUND BALANCE		
Assigned for Student Activities	152,536	136,678
TOTAL LIABILITIES AND FUND BALANCE	$ 155,241	$ 136,678

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

STUDENT ACTIVITY FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2025	2024
REVENUES		
Local Sources		
Miscellaneous	$ 172,542	$ 150,926
EXPENDITURES		
Supporting Services		
Support Services - Other		
Other Student/School Activity Expenditures	156,684	165,813
Excess (Deficiency) of Revenues Over Expenditures	15,858	(14,887)
FUND BALANCE - Beginning of Year	136,678	151,565
FUND BALANCE - End of Year	$ 152,536	$ 136,678

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

NONMAJOR DEBT RETIREMENT FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2025

	2013 SCHOOL IMPROVEMENT DEBT	2010 ENERGY DEBT	TOTALS
ASSETS	$ 0	$ 0	$ 0
LIABILITIES AND FUND BALANCE			
LIABILITIES	$ 0	$ 0	$ 0
FUND BALANCE	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	$ 0	$ 0	$ 0

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

NONMAJOR DEBT RETIREMENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	2013 SCHOOL IMPROVEMENT DEBT	2010 ENERGY DEBT	TOTALS
REVENUES	$ 0	$ 0	$ 0
EXPENDITURES			
Debt Service			
Principal Payments	11,000	90,000	101,000
Interest Payments	1,480	4,095	5,575
Miscellaneous	0	600	600
Total Expenditures	12,480	94,695	107,175
Excess (Deficiency) of Revenues Over Expenditures	(12,480)	(94,695)	(107,175)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	12,480	94,695	107,175
Net Change in Fund Balance	0	0	0
FUND BALANCE - Beginning of Year	0	0	0
FUND BALANCE - End of Year	$ 0	$ 0	$ 0

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

2013 SCHOOL IMPROVEMENT DEBT RETIREMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

JUNE 30,

	2025	2024
REVENUES	$ 0	$ 0
EXPENDITURES		
Debt Service		
Principal Payments	11,000	10,000
Interest Payments	1,480	1,760
Total Expenditures	12,480	11,760
Excess (Deficiency) of Revenues Over Expenditures	(12,480)	(11,760)
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	12,480	11,760
Net Change in Fund Balance	0	0
FUND BALANCE - Beginning of Year	0	0
FUND BALANCE - End of Year	$ 0	$ 0

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

2010 ENERGY BOND DEBT RETIREMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2025	2024
REVENUES	$ 0	$ 0
EXPENDITURES		
Debt Service		
Principal Payments	90,000	85,000
Interest Payments	4,095	7,918
Miscellaneous	600	600
Total Expenditures	94,695	93,518
Excess (Deficiency) of Revenues Over Expenditures	(94,695)	(93,518)
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	94,695	93,518
Net Change in Fund Balance	0	0
FUND BALANCE - Beginning of Year	0	0
FUND BALANCE - End of Year	$ 0	$ 0

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	2025	2024
ASSETS		
Cash	$ 787,253	$ 957,705
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ 0	$ 0
FUND BALANCE		
Committed for Future Contracts	21,007	20,131
Committed for Capital Projects	766,246	937,574
Total Fund Balance	787,253	957,705
TOTAL LIABILITIES AND FUND BALANCE	$ 787,253	$ 957,705

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2025	2024
REVENUES		
Local Sources		
Earnings on Investments	$ 36,103	$ 47,486
EXPENDITURES		
Instruction		
Basic Programs		
Elementary	27,731	17,595
High School	61,170	90,448
Supporting Services		
Operations and Maintenance		
Operating Building Services	25,604	106,545
Payments to Other Governmental Agencies, Facilities Acquisition and Prior Period Adjustments		
Facilities Acquisition, Construction and Improvements		
Building Improvements Services	92,050	52,373
Total Expenditures	206,555	266,961
Excess (Deficiency) of Revenues Over Expenditures	(170,452)	(219,475)
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	0	20,000
Net Change in Fund Balance	(170,452)	(199,475)
FUND BALANCE - Beginning of Year	957,705	1,157,180
FUND BALANCE - End of Year	$ 787,253	$ 957,705

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2025

TITLE OF ISSUE	2010 Energy Conservation Bonds		
PURPOSE	Energy conservation improvements.		
DATE OF ISSUE	May 12, 2010		
INTEREST PAYABLE	May 1, and November 1, of each year		
AMOUNT OF ISSUE			$ 860,000
AMOUNT REDEEMED			
Redeemed Prior to Current Year		$ 785,000	
Redeemed During Current Year		75,000	860,000
BALANCE OUTSTANDING - June 30, 2025			$ 0

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2025

TITLE OF ISSUE	2010 Energy Conservation Bonds - Series B			
PURPOSE	Energy conservation improvements.			
DATE OF ISSUE	October 1, 2010			
INTEREST PAYABLE	May 1, and November 1, of each year			
AMOUNT OF ISSUE			$	165,000
AMOUNT REEDEEMED				
Redeemed Prior to Current Year	$	150,000		
Redeemed During Current Year		15,000		165,000
BALANCE OUTSTANDING - June 30, 2025			$	0

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2025

TITLE OF ISSUE	2013 School Improvement Bonds		
PURPOSE	Remodeling school buildings with carpet installation.		
DATE OF ISSUE	July 10, 2013		
INTEREST PAYABLE	May 1, and November 1, of each year		
AMOUNT OF ISSUE			$ 139,000
AMOUNT REDEEMED			
Redeemed Prior to Current Year		$ 91,000	
Redeemed During Current Year		11,000	102,000
BALANCE OUTSTANDING - June 30, 2025			$ 37,000

DUE DATES	INTEREST RATES	REQUIREMENTS TOTAL	INTEREST	PRINCIPAL
November 1, 2025		$ 580	$ 580	
May 1, 2026	3.00%	12,580	580	$ 12,000
November 1, 2026		400	400	
May 1, 2027	3.15%	12,400	400	12,000
November 1, 2027		211	211	
May 1, 2028	3.25%	13,211	211	13,000
		$ 39,382	$ 2,382	$ 37,000

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2025

TITLE OF ISSUE	2020 School Building and Site Bonds, Series I		
PURPOSE	Erecting additions to, remodeling, including security improvements to, furnishing and refurnishing and equipping and reequipping school buildings; acquiring and installing instructional technology and instructional technology equipment for school buildings; and developing and improving playgrounds, athletic fields and facilities, driveways, parking areas and sites and to pay costs of issuance for the bonds.		
DATE OF ISSUE	November 16, 2020		
INTEREST PAYABLE	May 1, and November 1, of each year		
AMOUNT OF ISSUE			$ 6,425,000
AMOUNT REDEEMED			
Redeemed Prior to Current Year		$ 2,035,000	
Redeemed During Current Year		290,000	2,325,000
BALANCE OUTSTANDING - June 30, 2025			$ 4,100,000

DUE DATES	INTEREST RATES	REQUIREMENTS TOTAL	INTEREST	PRINCIPAL
November 1, 2025		$ 57,078	$ 57,078	
May 1, 2026	5.00%	302,078	57,078	$ 245,000
November 1, 2026		50,953	50,953	
May 1, 2027	5.00%	195,953	50,953	145,000
November 1, 2027		47,328	47,328	
May 1, 2028	5.00%	202,328	47,328	155,000
November 1, 2028		43,453	43,453	
May 1, 2029	5.00%	203,453	43,453	160,000
November 1, 2029		39,453	39,453	
May 1, 2030	5.00%	209,453	39,453	170,000
November 1, 2030		35,203	35,203	
May 1, 2031	2.00%	215,203	35,203	180,000
November 1, 2031		33,403	33,403	
May 1, 2032	2.00%	213,403	33,403	180,000

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2025

DUE DATES	INTEREST RATES	REQUIREMENTS TOTAL	INTEREST	PRINCIPAL
November 1, 2032		31,603	31,603	
May 1, 2033	2.00%	216,603	31,603	185,000
November 1, 2033		29,753	29,753	
May 1, 2034	2.00%	219,753	29,753	190,000
November 1, 2034		27,853	27,853	
May 1, 2035	2.00%	222,853	27,853	195,000
November 1, 2035		25,903	25,903	
May 1, 2036	2.00%	225,903	25,903	200,000
November 1, 2036		23,903	23,903	
May 1, 2037	2.00%	223,903	23,903	200,000
November 1, 2037		21,903	21,903	
May 1, 2038	2.00%	226,903	21,903	205,000
November 1, 2038		19,853	19,853	
May 1, 2039	2.125%	229,853	19,853	210,000
November 1, 2039		17,622	17,622	
May 1, 2040	2.125%	232,622	17,622	215,000
November 1, 2040		15,338	15,338	
May 1, 2041	2.375%	230,337	15,337	215,000
November 1, 2041		12,784	12,784	
May 1, 2042	2.375%	192,784	12,784	180,000
November 1, 2042		10,647	10,647	
May 1, 2043	2.375%	190,647	10,647	180,000
November 1, 2043		8,509	8,509	
May 1, 2044	2.375%	193,509	8,509	185,000
November 1, 2044		6,313	6,313	
May 1, 2045	2.50%	191,312	6,312	185,000
November 1, 2045		4,000	4,000	
May 1, 2046	2.50%	164,000	4,000	160,000
November 1, 2046		2,000	2,000	
May 1, 2047	2.50%	162,000	2,000	160,000
		$ 5,229,708	$ 1,129,708	$ 4,100,000

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2025

TITLE OF ISSUE	2022 School Building and Site Bonds, Series II		
PURPOSE	Erecting additions to, remodeling, including security improvements to, furnishing and refurnishing and equipping and reequipping school buildings; acquiring and installing instructional technology and instructional technology equipment for school buildings; and developing and improving playgrounds, athletic fields and facilities, driveways, parking areas and sites and to pay costs of issuance for the bonds.		
DATE OF ISSUE	May 16, 2022		
INTEREST PAYABLE	May 1, and November 1, of each year		
AMOUNT OF ISSUE			$ 5,040,000
AMOUNT REDEEMED			
Redeemed Prior to Current Year		$ 560,000	
Redeemed During Current Year		100,000	660,000
BALANCE OUTSTANDING - June 30, 2025			$ 4,380,000

DUE DATES	INTEREST RATES	REQUIREMENTS TOTAL	REQUIREMENTS INTEREST	REQUIREMENTS PRINCIPAL
November 1, 2025		$ 85,294	$ 85,294	
May 1, 2026	5.000%	185,294	85,294	$ 100,000
November 1, 2026		82,794	82,794	
May 1, 2027	5.000%	227,794	82,794	145,000
November 1, 2027		79,169	79,169	
May 1, 2028	5.000%	224,169	79,169	145,000
November 1, 2028		75,544	75,544	
May 1, 2029	5.000%	225,544	75,544	150,000
November 1, 2029		71,794	71,794	
May 1, 2030	5.000%	221,794	71,794	150,000
November 1, 2030		68,044	68,044	
May 1, 2031	5.000%	218,044	68,044	150,000
November 1, 2031		64,294	64,294	
May 1, 2032	5.000%	219,294	64,294	155,000
November 1, 2032		60,419	60,419	
May 1, 2033	3.000%	215,419	60,419	155,000

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2025

DUE DATES	INTEREST RATES	REQUIREMENTS TOTAL	INTEREST	PRINCIPAL
November 1, 2033		58,094	58,094	
May 1, 2034	3.000%	213,094	58,094	155,000
November 1, 2034		55,769	55,769	
May 1, 2035	3.000%	210,769	55,769	155,000
November 1, 2035		53,444	53,444	
May 1, 2036	3.000%	208,444	53,444	155,000
November 1, 2036		51,119	51,119	
May 1, 2037	3.000%	216,119	51,119	165,000
November 1, 2037		48,541	48,541	
May 1, 2038	3.125%	213,541	48,541	165,000
November 1, 2038		45,963	45,963	
May 1, 2039	3.125%	215,962	45,962	170,000
November 1, 2039		43,200	43,200	
May 1, 2040	3.250%	208,200	43,200	165,000
November 1, 2040		40,519	40,519	
May 1, 2041	3.250%	215,519	40,519	175,000
November 1, 2041		37,675	37,675	
May 1, 2042	3.250%	257,675	37,675	220,000
November 1, 2042		34,100	34,100	
May 1, 2043	4.000%	264,100	34,100	230,000
November 1, 2043		29,500	29,500	
May 1, 2044	4.000%	264,500	29,500	235,000
November 1, 2044		24,800	24,800	
May 1, 2045	4.000%	264,800	24,800	240,000
November 1, 2045		20,000	20,000	
May 1, 2046	4.000%	290,000	20,000	270,000
November 1, 2046		14,600	14,600	
May 1, 2047	4.000%	294,600	14,600	280,000
November 1, 2047		9,000	9,000	
May 1, 2048	4.000%	459,000	9,000	450,000
		$ 6,687,351	$ 2,307,351	$ 4,380,000

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2025

TITLE OF ISSUE	2024 School Building and Site Bonds, Series III		
PURPOSE	Erecting additions to, remodeling, including security improvements to, furnishing and refurnishing and equipping and reequipping school buildings; acquiring and installing instructional technology and instructional technology equipment for school buildings; and developing and improving playgrounds, athletic fields and facilities, driveways, parking areas and sites and to pay costs of issuance for the bonds.		
DATE OF ISSUE	October 29, 2024		
INTEREST PAYABLE	May 1, and November 1, of each year		
AMOUNT OF ISSUE			$ 3,725,000
AMOUNT REDEEMED			
Redeemed Prior to Current Year		$ 0	
Redeemed During Current Year		325,000	325,000
BALANCE OUTSTANDING - June 30, 2025			$ 3,400,000

	INTEREST	REQUIREMENTS		
DUE DATES	RATES	TOTAL	INTEREST	PRINCIPAL
November 1, 2025		$ 74,850	$ 74,850	
May 1, 2026	5.000%	499,850	74,850	$ 425,000
November 1, 2026		64,225	64,225	
May 1, 2027	5.000%	204,225	64,225	140,000
November 1, 2027		60,725	60,725	
May 1, 2028	5.000%	205,725	60,725	145,000
November 1, 2028		57,100	57,100	
May 1, 2029	5.000%	217,100	57,100	160,000
November 1, 2029		53,100	53,100	
May 1, 2030	5.000%	153,100	53,100	100,000
November 1, 2030		50,600	50,600	
May 1, 2031	5.000%	150,600	50,600	100,000
November 1, 2031		48,100	48,100	
May 1, 2032	5.000%	148,100	48,100	100,000
November 1, 2032		45,600	45,600	
May 1, 2033	5.000%	145,600	45,600	100,000
November 1, 2033		43,100	43,100	

MORLEY STANWOOD COMMUNITY SCHOOLS
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2025

DUE DATES	INTEREST RATES	REQUIREMENTS TOTAL	INTEREST	PRINCIPAL
May 1, 2034	5.000%	1,178,100	43,100	1,135,000
November 1, 2034		19,900	19,900	
May 1, 2035	4.000%	19,900	19,900	
November 1, 2035		19,900	19,900	
May 1, 2036	4.000%	19,900	19,900	
November 1, 2036		19,900	19,900	
May 1, 2037	4.000%	19,900	19,900	
November 1, 2037		19,900	19,900	
May 1, 2038	4.000%	19,900	19,900	
November 1, 2038		19,900	19,900	
May 1, 2039	4.000%	19,900	19,900	
November 1, 2039		19,900	19,900	
May 1, 2040	4.000%	19,900	19,900	
November 1, 2040		19,900	19,900	
May 1, 2041	4.000%	19,900	19,900	
November 1, 2041		19,900	19,900	
May 1, 2042	4.000%	19,900	19,900	
November 1, 2042		19,900	19,900	
May 1, 2043	4.000%	19,900	19,900	
November 1, 2043		19,900	19,900	
May 1, 2044	4.000%	19,900	19,900	
November 1, 2044		19,900	19,900	
May 1, 2045	4.000%	139,900	19,900	120,000
November 1, 2045		17,500	17,500	
May 1, 2046	4.000%	152,500	17,500	135,000
November 1, 2046		14,800	14,800	
May 1, 2047	4.000%	164,800	14,800	150,000
November 1, 2047		11,800	11,800	
May 1, 2048	4.000%	171,800	11,800	160,000
November 1, 2048		8,600	8,600	
May 1, 2049	4.000%	223,600	8,600	215,000
November 1, 2049		4,300	4,300	
May 1, 2050	4.000%	219,300	4,300	215,000
		$ 4,946,600	$ 1,546,600	$ 3,400,000