

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 30, 2026

**NEW ISSUE – Book-Entry-Only
NOT BANK QUALIFIED**

RATING[†] S&P Global Ratings: A

In the opinion of Thrun Law Firm, P.C., Bond Counsel, under existing law (i) the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof, (ii) interest on the Bonds is excluded from gross income for federal income tax purposes to the extent and subject to the conditions described herein, and (iii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax to the extent and subject to the conditions described herein. See “TAX MATTERS” herein.

THE BONDS WILL NOT BE DESIGNATED AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” AS DESCRIBED IN SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.



\$8,180,000*
CORUNNA PUBLIC SCHOOLS
COUNTY OF SHIAWASSEE, STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS, SERIES I
(General Obligation – Unlimited Tax)

Dated: Date of Delivery

Due: May 1, as shown below

On May 5, 2026, the qualified electors of Corunna Public Schools, County of Shiawassee, State of Michigan (the “School District”) approved the issuance of bonds of the School District in the amount of not to exceed \$16,580,000 to be issued in one or more series. Proceeds of the 2026 School Building and Site Bonds, Series I (General Obligation – Unlimited Tax) (the “Bonds”) in the principal amount of \$8,180,000* will constitute the first series of bonds under the 2026 authorization and will be used for school building and site purposes. The Bonds were authorized by the Board of Education of the School District by resolutions adopted on May 18, 2026 and expected to be adopted on July __, 2026 (together, the “Resolutions”). The Bonds will pledge the full faith and credit of the School District for payment of the principal and interest thereon and will be payable from ad valorem taxes, which may be levied on all taxable property in the School District without limitation as to rate or amount.

The Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds (the “Beneficial Owners”) will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See “THE BONDS – Book-Entry-Only System” herein.

Principal of and interest on the Bonds will be paid by the corporate trust office of Argent Institutional Trust Company, Grand Rapids, Michigan (the “Paying Agent”). So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Disbursement of such payments to DTC’s Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC’s Direct Participants and Indirect Participants, as more fully described herein. Interest will be payable semiannually on each May 1 and November 1, commencing May 1, 2027, to the Bondholders of record as of the applicable record dates as stated in the Bonds.

The School District has applied for municipal bond insurance to insure the Bonds, but has not, as of the date hereof, received or accepted a commitment. See “POTENTIAL FOR BOND INSURANCE” herein.

(Base CUSIP\$: 220867)

Maturity	Interest	Maturity	Interest
May 1*	Rate	May 1*	Rate
2029	\$30,000	2037	\$870,000
2030	30,000	2038	920,000
2031	35,000	2039	965,000
2032	45,000	2040	1,000,000
2033	100,000	2041	1,000,000
2034	155,000	2042	1,000,000
2035	200,000	2043	1,000,000
2036	830,000		

THE BONDS OR PORTIONS OF THE BONDS MATURING ON OR AFTER MAY 1, 2037* ARE SUBJECT TO OPTIONAL REDEMPTION PRIOR TO MATURITY BEGINNING MAY 1, 2036* IN THE MANNER AND AT THE TIMES DESCRIBED HEREIN. See “THE BONDS – Optional Redemption” herein.

The Bonds will be offered when, as and if issued by the School District and accepted by the Underwriter subject to the approving legal opinion of Thrun Law Firm, P.C., East Lansing, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan. It is expected that the Bonds will be available for delivery through DTC on or about July __, 2026.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

RAYMOND JAMES®

The date of this Official Statement is July __, 2026.

† For an explanation of the rating, see “RATING” herein.

[1] As of the date of delivery.

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* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. As of this date, this Preliminary Official Statement has been deemed “final” by the School District for purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2-12(b)(4).

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement in connection with the offer made hereby and, if given or made, such other information or representation must not be relied upon as having been authorized by the School District or the Underwriter. This Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy these securities be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Information herein has been obtained from the School District, The Depository Trust Company and other sources believed to be reliable. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information (except for information under the section captioned "UNDERWRITING" which was obtained from the Underwriter).

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency will have passed upon the adequacy of this Official Statement, or, except for the School District and the Department of Treasury of the State of Michigan, approved the Bonds for sale.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INFORMATION PRESENTED IN THIS OFFICIAL STATEMENT CONCERNING THE SCHOOL DISTRICT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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Sara Beldyga, Vice President
Ashley Rathbun, Secretary
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OFFICIAL STATEMENT
relating to
\$8,180,000*
CORUNNA PUBLIC SCHOOLS
COUNTY OF SHIAWASSEE, STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS, SERIES I
(General Obligation – Unlimited Tax)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by Corunna Public Schools, County of Shiawassee, State of Michigan (the “School District”) of its 2026 School Building and Site Bonds, Series I (General Obligation – Unlimited Tax) (the “Bonds”) in the principal amount of \$8,180,000*.

PURPOSE AND SECURITY

On May 5, 2026, the qualified electors of the School District approved a proposal authorizing the issuance of bonds in an aggregate amount of not to exceed \$16,580,000 to be issued in one or more series. The proceeds of the Bonds in the principal amount of \$8,180,000*, representing the first series of bonds under the 2026 authorization, are being issued for the purposes of (i) remodeling, furnishing and refurbishing, and equipping and re-equipping school buildings and facilities, including HVAC and structural improvements; and preparing, developing, and improving sites; and (ii) paying the costs of issuing the Bonds.

The Bonds, as authorized for issuance by the resolutions of the Board of Education of the School District adopted on May 18, 2026, and expected to be adopted on July __, 2026 (together, the “Resolutions”), are a full faith and credit unlimited tax general obligation of the School District. The principal of and interest on the Bonds are payable from the proceeds of ad valorem taxes levied on all taxable property in the School District which may be levied without limitation as to rate or amount.

POTENTIAL FOR BOND INSURANCE

The School District has applied for municipal bond insurance to insure the Bonds, but has not, as of the date hereof, received or accepted a commitment for such insurance. The School District will, together with its financial advisor, evaluate any commitment that is received and determine whether it is cost effective to accept the commitment to insure the Bonds. If the Bonds are insured, information regarding the bond insurance, the bond insurer, and the effect of insurance on the ratings for the Bonds will be included in the final Official Statement.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES

Par Amount of the Bonds
Original Issue Premium.....
Total Sources.....

USES

Deposit to Capital Projects Fund.....
Deposit to Debt Retirement Fund for Capitalized Interest.....
Underwriter’s Discount
Estimated Costs of Issuance
Total Uses.....

*Preliminary, subject to change.

THE BONDS

Description and Form of the Bonds

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated as of and bear interest from the date of issuance. Interest on the Bonds shall be payable semiannually each May 1 and November 1 to maturity or early redemption, commencing May 1, 2027. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the cover of this Official Statement.

The corporate trust office of Argent Institutional Trust Company, Grand Rapids, Michigan, or its successor, will serve as the paying agent (the “Paying Agent”) and also as bond registrar and transfer agent if the Bonds cease to be held in book-entry-only form. Interest on the Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding each interest payment date, the registered owner of record, at the owner’s registered address. For a description of payment of principal and interest, transfers, exchanges and notice of redemption on the Bonds, which are held in the book-entry-only system, see “Book-Entry-Only System” below. For a description of transfers and exchanges on the Bonds if the Bonds cease to be held in book-entry-only form, see “Transfer Outside Book-Entry-Only System” below.

Book-Entry-Only System

The information in this section has been furnished by The Depository Trust Company, New York, New York (“DTC”). No representation is made by the School District, the Paying Agent or Raymond James & Associates, Inc. (the “Underwriter”) as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the School District, the Paying Agent or the Underwriter to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the School District nor the Paying Agent will have any responsibility or obligation to Direct Participants, Indirect Participants (both as defined below) or the persons for which they act as nominees with respect to the Bonds, or for any principal, premium, if any, or interest payment thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 (the “Exchange Act”). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is

owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings (“S&P”) rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the “Commission”). More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detailed information from the School District or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the School District, subject to any statutory or regulatory requirements as may

be in effect from time to time. Payments of principal, interest and redemption amounts, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the School District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the School District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered to DTC.

The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Transfer Outside Book-Entry-Only System

In the event that the book-entry-only system is discontinued, the Paying Agent shall keep the registration books for the Bonds (the "Bond Register") at its corporate trust office. Subject to the further conditions contained in the Resolutions, the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof at the corporate trust office of the Paying Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Paying Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations; during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or any time following the mailing of any notice of redemption, the Paying Agent shall not be required to effect or register any transfer or exchange of any Bond which has been selected for such redemption, except the Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; the School District and the Paying Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owners of such Bonds for all purposes under the Resolutions. No transfer or exchange made other than as described above and in the Resolutions shall be valid or effective for any purposes under the Resolutions.

Optional Redemption

The Bonds or portions of the Bonds in multiples of \$5,000 maturing on or after May 1, 2037*, are subject to redemption prior to maturity at the option of the School District in such order as the School District may determine and by lot within any maturity, on any date occurring on or after May 1, 2036*, at par plus accrued interest to the date fixed for redemption.

Notice of Redemption and Manner of Selection

Notice of redemption of any Bond shall be given not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the Paying Agent. The Bonds shall be called for redemption in multiples of \$5,000 and Bonds of denominations of more than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the face amount of the Bond by \$5,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds in an aggregate face amount equal to the unredeemed portion of the Bond surrendered shall be issued to the registered owner thereof.

*Preliminary, subject to change

If less than all of the Bonds of any maturity shall be called for redemption prior to maturity, unless otherwise provided, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Paying Agent, in the principal amounts designated by the School District. Any Bonds selected for redemption will cease to bear interest on the date fixed for redemption, whether presented for redemption, provided funds are on hand with the Paying Agent to redeem said Bonds. Upon presentation and surrender of such Bonds at the corporate trust office of the Paying Agent, such Bonds shall be paid and redeemed.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Paying Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemption, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

TAX PROCEDURES

Article IX, Section 3, of the Michigan Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true cash value. The Michigan Legislature by statute has provided that property shall be assessed at 50% of its true cash value, except as described below. The Michigan Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Beginning in 1995, taxable property has two valuations: State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, and increased or reduced by the lesser of the inflation rate or 5%, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV.

When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

Responsibility for assessing taxable property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local board of review, the Michigan Tax Tribunal, and ultimately to the Michigan appellate courts.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the county's department of equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in the Official Statement. Property granted tax abatements under Act 198, Public Acts of Michigan, 1974, amended, is recorded on a separate tax roll while subject to tax abatement. The valuation of tax-abated property is based upon SEV but is not included in either the SEV or

Taxable Value data in the Official Statement except as noted. Under limited circumstances, other State laws permit the partial abatement of certain taxes for other types of property for periods of up to 12 years.

LEVY AND COLLECTION OF TAXES FOR PAYMENT OF THE BONDS AND BONDHOLDERS' REMEDIES

The Resolutions authorizing the issuance of the Bonds and State law obligate the School District to levy a tax annually in an amount sufficient so that the estimated collections therefrom, together with other amounts on hand, if any, will be sufficient to pay promptly when due the principal of and interest on the Bonds becoming due prior to the time of the next tax levy. The tax levy shall not be subject to limitation as to rate or amount. Taxes for the payment of the principal of or interest on the Bonds are certified for collection each year with the school tax levies. In the event of the failure of the proper officials to certify taxes for the payment of the principal and interest requirements, a timely action in the nature of mandamus could compel certification and collection of adequate taxes

Registered owners of the Bonds may attempt to obtain a money judgment against the School District for the principal amount of the Bonds or interest not paid when due and may periodically attempt to enforce the collection of the money judgment by requiring the tax assessing officers for the School District to place the amount of such judgment on the next tax rolls of the School District. The rights of the holders of the Bonds and the enforceability thereof are subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement also may be subject to the exercise of judicial discretion in appropriate cases.

SOURCES OF SCHOOL OPERATING REVENUE

On March 15, 1994, the electors of the State of Michigan approved a ballot proposition to amend the State Constitution of 1963, in part, to increase the State sales tax from 4% to 6% as part of a complex plan to restructure the source of funding of public education (K-12) in order to reduce reliance on local property taxes for school operating purposes and to reduce the per pupil finance resource disparities among school districts.

The State school aid package passed by the Legislature as part of the school finance reform legislation instituted a per pupil foundation allowance beginning in fiscal year 1994/95. With the passage of Public Act 48 of 2021, the Legislature eliminated the foundation allowance range in 2021/22 that had been in place since the passage of the school finance reform legislation in 1994. In Public Act 15 of 2025 ("PA 15"), the Legislature established a 2025/26 target foundation allowance of \$10,050 per pupil. In the future, the foundation allowance may be adjusted annually by an index based upon the change in revenues to the State school aid fund and change in the total number of pupils statewide. The foundation allowance is funded by locally raised property taxes plus State school aid. The revenues for the State's contribution to the foundation allowance are derived from a mix of taxing sources, including but not limited to, a statewide property tax of 6 mills on all taxable property^[1], a State sales and use tax, a real estate transfer tax and a cigarette tax.

Generally, school districts are required to levy a local property tax of not more than 18 mills or the number of mills levied in 1993 for school operating purposes, whichever is less, on non-homestead properties^[2] in order for the school district to receive its per pupil foundation allowance. An intermediate school district may seek voter approval for up to three enhancement mills for distribution to local constituent school districts on a per pupil basis. Proceeds of the enhancement mills are not counted toward the foundation allowance. Furthermore, school districts whose per pupil foundation allowance in 2025/26 calculates to an amount in excess of \$10,050 are authorized to levy additional millage to obtain the foundation allowance, first

^[1]"Taxable property" in this context does not include industrial personal property.

^[2]"Non-homestead property" includes all taxable property other than principal residence, qualified agricultural property, qualified forestry property, supportive housing property, property occupied by a public school academy and industrial personal property. Commercial personal property, to the extent not otherwise exempt, is exempt from the first 12 mills of not more than 18 mills levied by school districts.

by levying such amount of the 18 mills against homestead property^[3] as is necessary to hold themselves harmless and, if the 18 mills is insufficient, to then levy such additional mills against all property uniformly as is necessary to obtain the foundation allowance. The School District's 2025/26 per pupil foundation allowance does not exceed \$10,050, and the School District does not levy such additional millage.

State aid appropriations and the payment schedule for State school aid may be changed by the Legislature at any time. If the amount appropriated from the State school aid fund exceeds the amount available for expenditure for a fiscal year, in the absence of overriding legislative action by the Legislature, the School Aid Act subjects most state aid payable to school districts for that fiscal year to an automatic proration on a per pupil basis in an amount necessary to eliminate the portion of the overage attributable to the appropriation to all school districts. See "STATE AID PAYMENTS" in APPENDIX A.

Public Act 120 of 2024 amended the State School Aid Act for the 2024/25 fiscal year, maintaining the School District's foundation allowance at \$9,608 per pupil.

PA 15 amended the State School Aid Act for the 2025/26 fiscal year, increasing the School District's foundation allowance to \$10,050 per pupil.

Pursuant to PA 15, the School District may be eligible to receive various categorical grants for specific purposes, such as special education, "at-risk" students, meal programs, early education, career and technical education programs, and other instructional and non-instructional programs. The annual amendments to the State School Aid Act determine the type and amount of those categorical funds. For further information regarding the School District's receipt of categorical funds for the 2024/25 fiscal year, see the School District's audited financial statements in APPENDIX C.

THE SOURCES OF THE SCHOOL DISTRICT'S OPERATING REVENUE DO NOT IMPACT THE TAXING AUTHORITY OF THE SCHOOL DISTRICT FOR PAYMENT OF GENERAL OBLIGATION UNLIMITED TAX SCHOOL BONDS AND DO NOT AFFECT THE OBLIGATION OF THE SCHOOL DISTRICT TO LEVY TAXES FOR PAYMENT OF DEBT SERVICE ON GENERAL OBLIGATION UNLIMITED TAX BONDS OF THE SCHOOL DISTRICT, INCLUDING THE BONDS OFFERED HEREIN.

MICHIGAN PROPERTY TAX REFORM

On November 5, 2013, March 28, 2014, and April 1, 2014, a package of bills amended and replaced legislation enacted in 2012 to phase-out most personal property taxation in Michigan. The bills were contingent on Michigan voters approving a ballot question authorizing a new municipal entity, the Local Community Stabilization Authority ("LCSA"), to levy a local component of the statewide use tax and distribute that revenue to local units of government to offset their revenue losses resulting from the personal property tax reform. On August 5, 2014, voters approved that ballot question.

The bill package, together with the original 2012 legislation, created two new exemptions from the personal property tax. Under the "small taxpayer exemption," the commercial and industrial personal property of each owner with a combined true cash value in a local tax collecting unit of less than \$80,000 became exempt from ad valorem taxes in that collecting unit beginning in 2014, with such threshold being increased by the legislature to a combined true cash value in a local tax collecting unit of less than \$180,000 beginning in 2023. For businesses that do not qualify for the "small taxpayer exemption," all "eligible manufacturing personal property" (personal property used more than 50% of the time in industrial processing or direct integrated support) purchased and placed into service before 2006 or during or after 2013 became exempt beginning in 2016. Taxation on "eligible manufacturing personal property" placed into service after 2006 but

^[3]"Homestead property" in this context means principal residence, qualified agricultural property, qualified forestry property, supportive housing property, property occupied by a public school academy, certain industrial personal property and certain commercial personal property, to the extent not otherwise exempt.

before 2013 will be phased-out over time; with the exemption taking effect after the property has been in service for the immediately preceding 10 years. The legislation extends certain personal property tax exemptions and tax abatements for technology parks, industrial facilities and enterprise zones that were to expire after 2012, until the voter approved personal property tax exemptions take effect.

Pursuant to voter approval in August 2014, the legislation also includes a formula to reimburse school districts for 100% of their lost operating millage revenue and lost sinking fund millage revenue. To provide the reimbursement, the legislation reduces the state share of the use tax and authorizes the LCSA to levy a local component of the use tax and distribute that revenue to qualifying local units. However, the reimbursement for the school district's operating millage will come from the State use tax component, which is deposited into the State school aid fund.^[1] While the legislation provides reimbursement for prospective school operating losses, pursuant to legislative changes made in 2020, the School District will be reimbursed for debt millage calculated pursuant to a statutory formula.

LITIGATION

The School District has not been served with any litigation, administrative action or proceeding, and to the knowledge of the appropriate officials of the School District no litigation or administrative action or proceeding has been threatened, restraining or enjoining, or seeking to restrain or enjoin the issuance and delivery of the Bonds, or questioning or contesting the validity of the Bonds or the proceedings or authorities under which they are authorized to be issued, sold, executed and delivered. A certificate to such effect will be delivered to the Underwriter at the time of the original delivery of the Bonds.

TAX MATTERS

State

In the opinion of Thrun Law Firm, P.C., East Lansing, Michigan ("Bond Counsel"), based on its examination of the documents described in its opinion, under existing State of Michigan statutes, regulations, rulings and court decisions, the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

Federal

In the opinion of Bond Counsel, based upon its examination of the documents described in its opinion, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds held by an "applicable corporation" as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code") is included in annual "adjusted financial statement income" for purposes of calculating the alternative minimum tax imposed on an applicable corporation. The opinions set forth in the preceding sentence are subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The School District has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Bond Counsel will express no opinion regarding other federal tax consequences with respect to the Bonds.

^[1]A school district that increases its millage rate, without voter approval, to replace debt millage revenue loss would not be eligible to receive reimbursement distributions. Because much of the reimbursement funds are deposited into the State school aid fund, the legislature may, in the future, change the funding formulas in the State School Aid Act of 1979 or appropriate funds therein for other purposes.

There are additional federal tax consequences relative to the Bonds and the interest thereon. The following is a general description of some of these consequences but is not intended to be complete or exhaustive and investors should consult with their tax advisors with respect to these matters. Prospective purchasers of the Bonds should be aware that (i) interest on the Bonds is included in the effectively connected earnings and profits of certain foreign corporations for purposes of calculating the branch profits tax imposed by Section 884 of the Code, (ii) interest on the Bonds may be subject to a tax on excess net passive income of certain S Corporations imposed by Section 1375 of the Code, (iii) interest on the Bonds is included in the calculation of modified adjusted gross income for purposes of determining the taxability of social security or railroad retirement benefits, (iv) the receipt of interest on the Bonds by life insurance companies may affect the federal tax liability of such companies, (v) in the case of property and casualty insurance companies, the amount of certain loss deductions otherwise allowed is reduced by a specific percentage of, among other things, interest on the Bonds, (vi) holders of the Bonds may not deduct interest on indebtedness incurred or continued to purchase or carry the Bonds, and (vii) commercial banks, thrift institutions and other financial institutions may not deduct their costs of carrying certain obligations such as the Bonds.

Original Issue Discount*

The initial public offering prices of certain Bonds, as set forth on the cover page of this Official Statement, may be less than the stated redemption prices at maturity (hereinafter referred to as the “OID Bonds”) and, to the extent properly allocable to each owner of such OID Bond, the original issue discount is excludable from gross income for federal income tax purposes with respect to such owner. Original issue discount is the excess of the stated redemption price at maturity of an OID Bond over the initial offering price to the public (excluding bond houses and brokers) at which price a substantial amount of the OID Bonds were sold. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. For an owner who acquires an OID Bond in this offering, the amount of original issue discount that accrues during any accrual period generally equals (i) the issue price of such OID Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity on such OID Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such OID Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes and will increase the owner’s tax basis in such OID Bond. Any gain realized by an owner from a sale, exchange, payment or redemption of an OID Bond would be treated as gain from the sale or exchange of such OID Bond. Owners of OID Bonds should consult with their individual tax advisors to determine whether the application of the original issue discount federal regulations will require them to include, for state and local income tax purposes, an amount of interest on the OID Bonds as income even though no corresponding cash interest payment is actually received during the tax year.

Original Issue Premium*

For federal income tax purposes, the initial offering prices to the public (excluding bond houses and brokers) of certain Bonds, as set forth on the cover of this Official Statement, may be greater than the stated redemption prices at maturity (the “Premium Bonds”), and constitutes for the original purchasers of the Premium Bonds an amortizable bond premium. Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of a taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such Premium Bonds.

*Preliminary, subject to change.

Future Developments

No assurance can be given that any future legislation or clarifications or amendments to the Code or to Michigan statutes, if enacted into law, will not contain proposals which could cause the interest on the Bonds to be subject directly or indirectly to federal or State income taxation, adversely affect the market price or marketability of the Bonds, or otherwise prevent bondholders from realizing the full current benefit of the status of the interest thereon.

Furthermore, no assurance can be given that the impact of any future court decisions will not cause the interest on the Bonds to be subject directly or indirectly to federal or State income taxation, adversely affect the market price or marketability of the Bonds, or otherwise prevent bondholders from realizing the full current benefit of the status of the interest thereon.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS, INCLUDING THE TREATMENT OF ORIGINAL ISSUE PREMIUM OR ORIGINAL ISSUE DISCOUNT, IF ANY.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, issuance and sale by the School District of the Bonds are subject to the approving opinion of Thrun Law Firm, P.C., East Lansing, Michigan, Bond Counsel. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds, Bond Counsel has made no inquiry as to any financial information, statements or materials contained in any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

Certain legal matters will be passed upon for the Underwriter by its counsel, Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan.

APPROVAL BY MICHIGAN DEPARTMENT OF TREASURY

The School District has received a letter from the Department of Treasury of the State of Michigan stating that the School District is in material compliance with the criteria of the Revised Municipal Finance Act, Act No. 34, Public Acts of Michigan, 2001, as amended, for a municipality to be granted qualified status. The School District may therefore issue the Bonds without further approval from the Department of Treasury of the State of Michigan.

RATING

S&P will assign, as of the date of delivery of the Bonds, its municipal bond rating of "A" to the Bonds.

No application has been made to any other ratings service for the rating on the Bonds. The School District furnished to S&P certain materials and information in addition to that provided herein. Generally, the rating agency bases its rating on such information and materials, and on investigations, studies and assumptions. There is no assurance that such rating will prevail for any given period of time or that it will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Any rating assigned represents only the view of S&P. Further information is available upon request from S&P.

UNDERWRITING

The Underwriter has agreed, subject to the terms of the Bond Purchase Agreement, to purchase the Bonds from the School District. The Bond Purchase Agreement provides, in part, that the Underwriter, subject to certain conditions, will purchase from the School District the aggregate principal amount of Bonds for a purchase price as set forth therein. The Underwriter has further agreed to offer the Bonds to the public at the approximate initial offering prices corresponding to the yields as set forth on the cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices corresponding to the yields stated on the cover hereto. The offering prices may be changed from time to time by the Underwriter. The aggregate underwriting fee for the Bonds equals _____ percent of the original principal amount of the Bonds.

The Bond Purchase Agreement provides that the obligations of the Underwriter are subject to certain conditions, including, among other things, that (i) no event has occurred which impairs or threatens to impair the validity of the Bonds or the status of the Bonds or the interest thereon as exempt from taxation in the State and interest on the Bonds is excluded from gross income for federal income tax purposes (except as described under the heading “TAX MATTERS” herein) and (ii) proceedings relating to the Bonds are not pending or threatened by the Commission.

The Bond Purchase Agreement further provides that the School District will provide to the Underwriter within seven business days of the date of the Bond Purchase Agreement an electronic copy of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) under the Exchange Act.

MUNICIPAL ADVISOR’S OBLIGATION

The School District has retained PFM Financial Advisors LLC, Ann Arbor, Michigan, as municipal financial advisor (the “Municipal Advisor”) in connection with the issuance of the Bonds. In preparing portions of the Official Statement, the Municipal Advisor has relied upon governmental officials and other sources which have access to relevant data, to provide accurate information for the Official Statement and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. To the best of the Municipal Advisor's knowledge and belief, the information contained in the Official Statement, which it assisted in preparing, while it may be summarized, is complete and accurate. The Municipal Advisor is not a public accounting firm and has not been engaged by the School District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds. PFM Financial Advisors LLC is registered with the Commission and the Municipal Securities Rulemaking Board as a municipal advisor.

Requests for information concerning the School District should be addressed to PFM Financial Advisors LLC, 555 Briarwood Circle, Suite 333, Ann Arbor, Michigan 48108, telephone: 734.994.9700.

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the School District will execute a Continuing Disclosure Agreement (the “Agreement”) for the benefit of the holders of the Bonds and the Beneficial Owners (as hereinafter defined under this caption only) to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Rule 15c2-12(b)(5) (the “Rule”) adopted by the Commission under the Exchange Act. “Beneficial Owner” means, under this caption only, any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or any other intermediaries). The

information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Agreement, are set forth in APPENDIX E: "Form of Continuing Disclosure Agreement." Additionally, the School District shall provide certain annual financial information and operating data generally consistent with the information contained within the tables under the headings "ENROLLMENT – Historical Enrollment," "STATE AID PAYMENTS," "PROPERTY VALUATIONS – History of Valuations," "MAJOR TAXPAYERS," "SCHOOL DISTRICT TAX RATES - (Per \$1,000 of Valuation)," "TAX LEVIES AND COLLECTIONS," "RETIREMENT PLAN – Contribution to MPSERS," "LABOR RELATIONS," "DEBT STATEMENT – Direct Debt" and "SCHOOL LOAN REVOLVING FUND (SLRF) PROGRAM," if any loan balance, in APPENDIX A and "General Fund Budget Summary" in APPENDIX B.

A failure by the School District to comply with the Agreement will not constitute an event of default under the Resolutions and Beneficial Owners of the Bonds are limited to the remedies described in the Agreement. A failure by the School District to comply with the Agreement must be reported by the School District in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The School District has not, in the previous five years, failed to comply in any material respect with any previous continuing disclosure agreements or undertakings executed by the School District pursuant to the Rule.

OTHER MATTERS

All information contained in this Official Statement, in all respects, is subject to the complete body of information contained in the original sources thereof. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

The School District certifies that to its best knowledge and belief, this Official Statement, insofar as it pertains to the School District and its economic and financial condition, is true and correct as of the date of this Official Statement and does not contain, nor omit, any material facts or information which would make the statements contained herein misleading.

CORUNNA PUBLIC SCHOOLS
County of Shiawassee
State of Michigan

By: _____
Its: Superintendent of Schools

APPENDIX A¹

CORUNNA PUBLIC SCHOOLS

GENERAL FINANCIAL, ECONOMIC AND SCHOOL INFORMATION

LOCATION AND AREA

Corunna Public Schools (the “School District”) occupies an area of 99.1 square miles, including the City of Corunna, which serves as a county seat, the Village of Vernon, and portions of seven surrounding townships in Shiawassee County, in the south central portion of Michigan’s lower peninsula. The School District is centrally located between the Cities of Lansing and Flint.

The School District is located the following distances from these commercial and industrial areas:

- 33 miles north of Howell
- 40 miles south of Saginaw
- 97 miles east of Grand Rapids
- 26 miles west of Flint

POPULATION

The U.S. Census reported and 2024 estimated populations for the School District, the City of Corunna and the County of Shiawassee are as follows:

	<u>School District</u>	<u>City of Corunna</u>	<u>County of Shiawassee</u>
2024 Estimate	9,179	3,037	67,991
2020 U.S. Census	9,576	3,046	68,094
2010 U.S. Census	10,404	3,497	70,648

Source: U.S. Census Bureau via data.census.gov website

BOARD OF EDUCATION

The Board of Education (the "Board") consists of seven members who are elected at large and serve overlapping terms. The Board annually elects a President, Vice President, Treasurer and Secretary. The Board is responsible for the selection and appointment of the Superintendent of Schools. The Board meets as a single body to set or amend policy, develop long-range educational goals and act upon recommendations of the Superintendent of Schools. The Board is also responsible for adopting and periodically amending the operating budget and evaluating school programs in accordance with governing laws.

ENROLLMENT

Historical Enrollment

Historical fall enrollment for the School District is as follows:

<u>School Year End 30-Jun</u>	<u>Full-time Equivalent</u>	<u>Change</u>	<u>School Year End 30-Jun</u>	<u>Full-time Equivalent</u>	<u>Change</u>
2026	1,560	0.06%	2021	1,616	-8.08%
2025	1,559	-3.23	2020	1,758	-2.44
2024	1,611	-1.35	2019	1,802	-0.66
2023	1,633	2.51	2018	1,814	-1.89
2022	1,593	-1.42	2017	1,849	--

¹Information included in APPENDIX A of this Official Statement was obtained from the School District unless otherwise noted.

2025/2026 Fall Count

PK	28	6 th	113
Kindergarten	143	7 th	119
1 st	132	8 th	110
2 nd	100	9 th	117
3 rd	114	10 th	117
4 th	106	11 th	117
5 th	117	12 th	127
		Total	<u>1,560</u>

Source: School District and Michigan Department of Education via website www.michigan.gov

SCHOOL DISTRICT FACILITIES

The following is a table showing the existing School District facilities.

<u>Facility</u>	<u>Grades Served</u>	<u>Year Built</u>	<u>Last Remodel/Addition</u>	<u>Type of Construction</u>
<i>Elementary Schools:</i>				
Elsa Meyer	K - 3	1950	2021	Masonry
Louise Peacock	PK	1950	2021	Masonry
<i>Middle School:</i>				
Corunna	4 - 7	1951	2021	Masonry
<i>High School:</i>				
Corunna	8 - 12	1976	2021	Masonry
<i>Additional Facilities:</i>				
Transportation Building	--	1950	2021	--
Central Office	--	1969	2015	Masonry
Athletic Complex	--	1969	2015	Masonry

OTHER SCHOOLS

The following parochial school is located within the School District's boundaries:

<u>Name of School</u>	<u>Grades Served</u>	<u>Approximate Enrollment</u>
Immanuel Baptist Academy	K - 12	100

Source: Immanuel Baptist Academy

STATE AID PAYMENTS

The School District's primary source of funding for operating costs is the State School Aid per pupil foundation allowance. Public Act 15 of 2025 set the target foundation allowance at \$10,050 for fiscal year 2025/2026.

In future years, this allowance may be adjusted by an index based upon the change in revenues to the state school aid fund and the change in the total number of pupils statewide. The State may reduce State School Aid appropriations at any time if the State's revenues do not meet budget expectations. See "SOURCES OF SCHOOL OPERATING REVENUE" herein for additional information.

The following table shows a five-year history and a current year estimate of the School District’s total state aid revenues, including categoricals and other amounts, and the per pupil state aid foundation allowance, which reflects the changes in sources of school operating revenue described herein:

Fiscal Year End 30-Jun	Foundation Allowance per Pupil	Total State Aid Payments ¹	Blended Pupil Count	Amount Received per Pupil ²
2026	\$10,050	\$19,630,859 ³	1,546.31 ³	\$12,695 ³
2025	9,608	19,057,792	1,562.19	12,199
2024	9,608	19,566,244	1,610.78	12,147
2023	9,150	18,403,196	1,631.21	11,282
2022	8,700	15,518,642	1,618.75	9,587
2021	8,111	15,673,905 ⁴	1,754.69	8,933 ⁴

¹Includes payments received for MPSERS UAAL rate stabilization. See “RETIREMENT PLAN - Contribution to MPSERS” herein.

²Represents the “Total State Aid Payments” divided by the “Blended Pupil Count”.

³Preliminary estimate, subject to change.

⁴Public Act 165 of 2020 restored the State school aid reductions contained in Public Act 146 of 2020 for the 2020/21 fiscal year, added a onetime \$65 per pupil payment and added other appropriations for qualifying school districts.

Source: Michigan Department of Education via website www.michigan.gov

PROPERTY VALUATIONS

In accordance with Act No. 539, Public Acts of Michigan, 1982, and Article IX, Section 3 of the Michigan Constitution, the ad valorem State Equalized Valuation (SEV) represents 50% of true cash value. SEV does not include any value of tax exempt property (e.g. churches, governmental property) or property granted tax abatements under Act No. 198, Public Acts of Michigan, 1974, as amended. **Since 1994, ad valorem property taxes are assessed on the basis of Taxable Value, which is subject to assessment caps. SEV is used in the calculation of debt margin and true cash value.** See “TAX PROCEDURES” herein for further information.

Taxable property in the School District is assessed by the local municipal assessor and is subject to review by the County Equalization Department.

History of Valuations

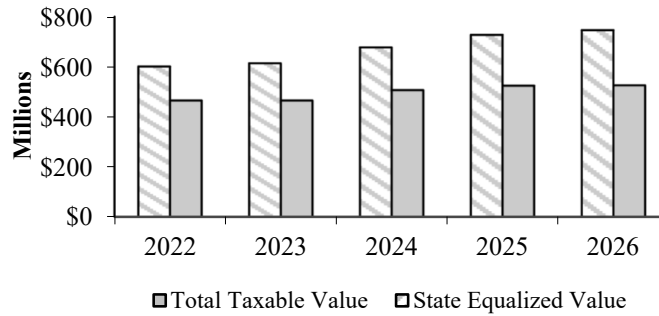
A history of the property valuations in the School District is shown below:

Year	Principal Residence ¹	Non- Principal Residence ¹	Total Taxable Value	Percent Change	State Equalized Value	Percent Change
2026	\$409,184,954	\$116,717,840	\$525,902,794	0.31%	\$746,262,700	2.55%
2025	409,020,260	115,258,652	524,278,912	3.44	727,693,197	7.41
2024	395,876,579	110,975,588	506,852,167	8.92	677,494,300	10.35
2023	362,643,412	102,685,182	465,328,594	0.02	613,956,200	2.16
2022	365,621,503	99,599,703	465,221,206	----	600,992,400	----

¹All industrial personal property is included in the principal residence tax base. While commercial personal property continues to be included in the non-principal residence tax base, it is exempt from 12 of the 18 operating mills levied on non-principal residence property only. In 2026, industrial personal property had a taxable value of \$113,135,400 and commercial personal property had a taxable value of \$7,337,300 in the School District.

Source: Shiawassee County Equalization Department

History of Valuations



Annual Equivalent Valuation

A summary of the 2026 valuation is as follows:

2026 Taxable Value	\$525,902,794
Plus: 2026 Equivalent IFT Taxable Value ¹	360,391
Total 2026 Equivalent Taxable Value	<u>\$526,263,185</u>
Less: 2026 Disabled Veterans Exemption Taxable Value ²	(4,447,466)
Net 2026 Annual Equivalent Valuation	<u><u>\$521,815,719</u></u>

¹See “INDUSTRIAL FACILITY TAX ABATEMENTS” herein.

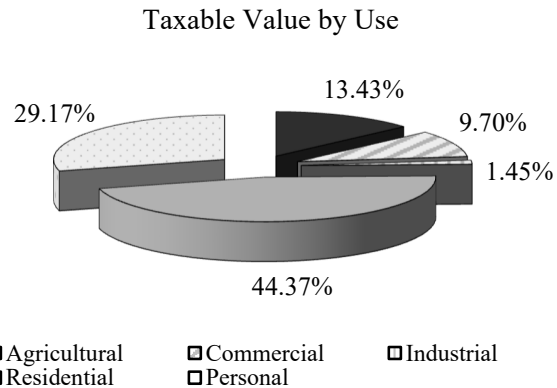
²Represents value which is exempt from taxes pursuant to Michigan’s General Property Tax Act Section 7b, MCL 211.7b, which states real property used and owned as a homestead by either (1) a disabled veteran who was discharged from the United States armed forces under honorable conditions or (2) the disabled veteran’s un-remarried, surviving spouse is exempt from property taxes, subject to certain application requirements.

Source: Shiawassee County Equalization Department

Tax Base Composition

A breakdown of the School District’s 2026 Taxable Value by class and use is as follows:

By Class:	2026 Taxable Value	Percent of Total
Real Property	\$372,509,394	70.83%
Personal Property	153,393,400	29.17
TOTAL	\$525,902,794	100.00%
By Use:		
Agricultural	\$70,627,718	13.43%
Commercial	50,996,740	9.70
Industrial	7,600,692	1.45
Residential	243,284,244	46.25
Personal	153,393,400	29.17
TOTAL	\$525,902,794	100.00%



A breakdown of the School District’s 2026 Taxable Value by municipality is as follows:

Municipality	2026 Taxable Value	Percent of Total
<i>County of Shiawassee</i>		
City of Corunna	\$87,712,956	16.68%
Bennington Township	959,063	0.18
Caledonia Township	162,261,556	30.85
Hazelton Township	41,121,105	7.82
New Haven Township	15,955,876	3.03
Shiawassee Township	51,100,475	9.72
Venice Township	133,632,523	25.41
Vernon Township	33,159,240	6.31
TOTAL	\$525,902,794	100.00%

Source: Shiawassee County Equalization Department

INDUSTRIAL FACILITY TAX ABATEMENTS

Under the provisions of Act 198 of the Public Acts of Michigan, 1974 (“Act 198”), plant rehabilitation districts and/or industrial development districts may be established. Businesses in these districts are offered certain property tax incentives to encourage restoration or replacement of obsolete facilities and to attract new facilities to the area. An industrial facilities tax (“IFT”) is paid, at a lesser effective rate and in lieu of ad valorem property taxes, on such facilities for a period of up to 12 years. Qualifying facilities are issued abatement certificates for specific periods.

After expiration of the abatement certificate, the then-current SEV of the facility is returned to the ad valorem tax roll. The owner of such facility may obtain a new certificate, provided it has complied with the provisions of Act 198.

The 2026 Taxable Value for the properties which have been granted IFT abatements within the School District’s boundaries is \$360,391 for rehab IFT’s which remains frozen. For purposes of computing “Equivalent” Taxable Value, rehab IFT’s have been shown at 100% of the Taxable Value, for a total “Equivalent” taxable value of \$360,391.

Source: Shiawassee County Equalization Department

MAJOR TAXPAYERS

Shown below are the ten largest taxpayers in the School District based on their 2026 total valuation subject to taxation.

Taxpayer	Product/Service	2026 Taxable Value
Assembly Solar	Solar Farm	\$92,286,400
Lyons Road Solar LLC	Solar Farm	20,849,000
Consumers Company	Utility	18,784,983
Michigan Electric Transmission Co.	Utility	13,375,800
Meijer, Inc.	Retail	6,443,529
Riverwalk of Corunna I LLC	Apartments	5,340,636
General Shale Brick Inc.	Brick Manufacturer	2,323,863
Young Oldsmobile Cadillac	Auto Dealer	2,029,714
HD Development of Maryland, Inc. (d.b.a. Home Depot)	Home Improvement	1,868,228
Capstack #1	Real Estate Investing	1,758,277
TOTALS		\$165,060,430
Total 2026 Taxable Value		\$525,902,794
Top 10 Taxpayers as a % of 2026 Total Taxable Value		31.39%

Source: Shiawassee County Equalization Department

SCHOOL DISTRICT TAX RATES - (Per \$1,000 of Valuation)

The following table shows the total School District tax rates for the past five years.

	2025	2024	2023	2022	2021
Operating – Voted	18.0000	18.0000	18.0000	18.0000	18.0000
Debt	3.7000	3.7000	3.7500	3.7500	4.6000
Total Non-Principal Residence	21.7000	21.7000	21.7500	21.7500	22.6000
Total Principal Residence	3.7000	3.7000	3.7500	3.7500	4.6000

The School District levies voted operating millage on non-principal residence property and authorized debt millage on all taxable property within the School District. The voted operating millage expires with the 2028 levy.

OTHER JURISDICTIONS’ TAX RATES - (Per \$1,000 of Valuation)

The following table provides the 2025 and 2024 tax rates for select units of government that overlap with the School District’s boundaries.

	2025	2024
State Education Tax	6.0000	6.0000
City of Corunna	14.6917	15.8023
Bennington Township	2.2951	2.3100
Caledonia Township	1.1108	1.0226
Hazelton Township	2.4756	2.4756
New Haven Township	2.9683	2.9758
Shiawassee Township	1.1578	1.1643
Venice Township	1.8112	1.8112
Vernon Township	3.1187	3.1381
Village of Vernon	9.8162	9.9224
Shiawassee County	8.1675	8.2042
Shiawassee RESD	5.3021	5.3281

Source: Shiawassee County Equalization Department

TAX LEVIES AND COLLECTIONS

The School District’s fiscal year begins July 1 and ends June 30. School District property taxes are due December 1 of each fiscal year and are payable without interest or penalty on or before the following February 14. All real property taxes remaining unpaid on March 1st of the year following the levy are turned over to the County Treasurer for collection. Shiawassee County (the “County”) annually pays from its Delinquent Tax Revolving Fund delinquent taxes on real property to all taxing units in the County, including the School District, shortly after the date delinquent taxes are returned to the County Treasurer for collection.

A history of tax levies and collections for the School District is as follows:

Levy Year	Operating Tax Levy	Collections to March 1, Each Year		Collections Plus Funding to June 30, Each Year	
2025	\$2,103,656*	\$1,919,270	91.23%	N/A	
2024	2,009,740	1,876,280	93.36	\$2,009,740	100.00%
2023	1,873,423	1,728,808	92.28	1,859,269	99.24
2022	1,888,329	1,642,624	86.99	1,751,845	92.77
2021	1,657,881	1,559,587	94.07	1,646,679	99.32
2020	1,564,895	1,457,016	93.11	1,546,659	98.83

*Estimated.

RETIREMENT PLAN

For the period October 1 through September 30, the School District pays an amount equal to a percentage of its employees’ wages to the Michigan Public School Employees Retirement System (“MPERS”), which is a statewide retirement plan for employees of Michigan public schools administered by the State of Michigan. These contributions are established and required by law and are calculated by using the contribution rates as determined annually by the State.

MPERS is a cost-sharing, multi-employer, statewide plan. Pension benefits, and retiree health benefits, are established by law and funded through employer contributions. The cost of retiree health benefits is funded annually on a pay-as-you-go basis, with retirees paying some of the costs. Current year liability for retiree health benefits is reflected in the figures provided below. Further information regarding MPERS, including retiree health benefits, can be found at www.michigan.gov/orsschools.

Public Act 75 of 2010 (“Act 75”) significantly modified MPERS and among other provisions required all employees hired after July 1, 2010 to participate in a new Pension Plus Plan which provides a combined defined benefit and defined contribution structure. Public Act 92 of 2017 (“Act 92”) further modified MPERS for all employees hired on or after February 1, 2018. Act 92 requires all employees hired on or after February 1, 2018 to elect to participate in a new 401(k) style defined contribution plan or a new hybrid plan with different assumptions and cost sharing.

Contribution to MPSERS

The School District’s estimated annual contribution to MPSERS for the 2025-26 fiscal year and the previous four fiscal years are shown below:

Fiscal Year Ended 30-Jun	Pension Amount	Health Care Amount	Total Amount	State Aid MPSERS Direct Offset Payments ²
2026 ¹	\$4,406,541	\$175,492	\$4,582,033	\$1,654,644
2025	4,485,951	183,657	4,669,608	1,391,332
2024	4,330,817	860,191	5,191,008	2,040,342
2023	4,639,129	803,566	5,442,695	2,671,996
2022	3,439,823	745,564	4,185,387	1,629,074

¹Estimated.

²Represents the amount the School District received in state aid categorical revenue (Section 147c MPSERS UAAL Rate Stabilization and One-Time Deposits) to directly pay for a portion of the School District’s MPSERS unfunded liability. This amount is included in the Total Amount shown in the table above.

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The School District implemented GASB 68 in its year ended June 30, 2015 financial statements. In its June 30, 2025 financial statements, the School District reported a proportionate share of the net pension liability of \$25,581,355 as of September 30, 2024.

Effective for fiscal years beginning after June 15, 2017, GASB Statement 75 requires all reporting units in a multi-employer cost sharing OPEB plan to record a balance sheet liability for their proportionate share of the net OPEB liability of the plan. The School District implemented GASB 75 in its year ended June 30, 2018 financial statements. In its June 30, 2025 financial statements, the School District reported a proportionate share of the net OPEB asset of \$4,488,206 as of September 30, 2024.

For additional information regarding the Pension Plan and Postemployment Benefits Other than Pensions (OPEB), see the Notes to the Financial Statements in the School District’s audited financial statements in APPENDIX C.

Source: Audited Financial Statements and School District

LABOR RELATIONS

The School District has labor agreements with the following employee groups. The agreements all provide for complete and comprehensive salary, wage, fringe benefit and working conditions provisions. The number of employees and duration of the agreements are as follows:

Employee Group	No. of Employees	Affiliation	Exp. Date of Contract
Administrators	9	Non-Affiliated	N/A
Teachers	89	QEA/MEA	06/30/27
Secretaries	11	Non-Affiliated	N/A
Counselors	2	QEA/MEA	06/30/27
Paraprofessional	42	MESPA	06/30/29
Maintenance/Custodial	2	AFL CIO	06/30/28
Transportation	16	AFSCME AFL CIO	06/30/27
Food Service	26	Non-Affiliated	N/A
Supervisors	5	Non-Affiliated	N/A
Other	46	Non-Affiliated	N/A
TOTAL	<u>248</u>		

The School District has not experienced a strike by any of its bargaining units within the past ten years.

DEBT STATEMENT* - (As of 06/30/26 – including the Bonds described herein)

DIRECT DEBT:

<u>Dated Date</u>	<u>Purpose</u>	<u>Bond Type</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
09/14/21	Building & Site	UTQ	05/01/39	\$4,970,000
02/04/26	Refunding	UTQ	05/01/35	7,460,000
__/_/26	Building & Site	UTNQ	05/01/43	8,180,000*
NET DIRECT DEBT				<u>\$20,610,000*</u>

OVERLAPPING DEBT:

<u>Percent Share</u>	<u>Municipality</u>	<u>Net Debt</u>	<u>District's Share</u>
100.00%	City of Corunna	\$0	\$0
0.66	Bennington Township	0	0
62.35	Caledonia Township	0	0
27.19	Hazelton Township	0	0
23.92	New Haven Township	0	0
44.44	Shiawassee Township	0	0
77.02	Venice Township	0	0
19.50	Vernon Township	0	0
100.00	Village of Vernon	2,059,000	2,059,000
19.45	Shiawassee County	42,313,029	8,229,884
17.21	Shiawassee RESD	0	0

TOTAL OVERLAPPING DEBT	<u>10,288,884</u>
NET DIRECT AND OVERLAPPING DEBT	<u><u>\$30,898,884*</u></u>

*Preliminary, subject to change.

Source: Municipal Advisory Council of Michigan

SCHOOL LOAN REVOLVING FUND (SLRF) PROGRAM

The School District did not have a SLRF balance as of June 30, 2026.

OTHER DEBT

The School District has the following short-term borrowings outstanding:

<u>Dated Date</u>	<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance</u>
08/20/25	State Aid Note A-1	2.79%	07/20/26	\$700,000
08/20/25	State Aid Note A-2	2.77	08/20/26	300,000
TOTAL				<u>\$1,000,000</u>

*The School District anticipates borrowing approximately \$1,000,000 in State Aid Notes in 2026.

DEBT HISTORY

The School District has no record of default on its obligations.

FUTURE FINANCING

The bonds described herein are the first series of a \$16,580,000 voted authorization. The remaining bonds in the approximate amount of \$7,850,000 are expected to be issued within the next two years.

DEBT RATIOS*

Estimated School District Population	9,179
2026 Taxable Value	\$525,902,794
2026 State Equalized Value (SEV)	\$746,262,700
2026 True Cash Value (TCV)	\$1,492,525,400
Per Capita 2026 Taxable Value	\$57,294.13
Per Capita 2026 State Equalized Value	\$81,301.09
Per Capita 2026 True Cash Value	\$162,602.18
Per Capita Net Direct Debt	\$2,245.34
Per Capita Net Direct and Overlapping Debt	\$3,366.26
Percent of Net Direct Debt of 2026 Taxable Value	3.92%
Percent of Net Direct and Overlapping Debt of 2026 Taxable Value	5.88%
Percent of Net Direct Debt of 2026 SEV	2.76%
Percent of Net Direct and Overlapping Debt of 2026 SEV	4.14%
Percent of Net Direct Debt of 2026 TCV	1.38%
Percent of Net Direct and Overlapping Debt of 2026 TCV	2.07%

*Preliminary, subject to change.

LEGAL DEBT MARGIN* - (As of 06/30/26 – including the Bonds described herein)

2026 State Equalized Value		\$746,262,700
Legal Debt Limit - 15% of SEV		\$111,939,405
Total Bonded Debt Outstanding	\$20,610,000	
Less: SLRF Qualified Bonds ¹	<u>(12,430,000)</u>	
Net Amount Subject to Legal Debt Limit		<u>8,180,000</u>
LEGAL DEBT MARGIN AVAILABLE		<u><u>\$103,759,405</u></u>

*Preliminary, subject to change.

¹Section 1351(3) of Act 451, Public Acts of Michigan, 1976, as amended, provides that the bonded indebtedness of a school district shall not exceed 15% of the total assessed valuation of the district. Bonds not included in the computation of the legal debt margin are (1) any bond qualified under Article IX, Section 16 of the Michigan Constitution of 1963, and (2) deficit budget bonds as authorized under Section 1356. In addition, Section 605 of Act 34, Public Acts of Michigan, 2001, as amended, provides, in relevant part, that debt evidenced by a refunding security shall not be deemed to be within any statutory or charter limitation of outstanding debt limit.

EMPLOYMENT CHARACTERISTICS

Listed below are the largest employers that are located within the School District and Shiawassee County:

Employer	Product or Service	Approx. No. of Employees
<i>Within the School District</i>		
CIE Newcor MTG Corunna	Automotive Parts Manufacturer	325
Corunna Public Schools	Education	248
Shiawassee RESD	Education	220
Meijer, Inc.	Retail & Grocery	200
HD Development of Maryland, Inc. (d.b.a. Home Depot)	Home Improvement	110
Rugged Liner	Truck Bed Liners	100
Great Lake Fusion	Excavating Contractor	65
Young Oldsmobile Cadillac	Auto Dealer	65
Applebee's	Restaurant	60
General Shale Brick Inc.	Brick Manufacturer	60
Precision Electric Motor Sales	Motors and Controls	50
<i>Within the County of Shiawassee</i>		
Memorial Healthcare Center	Healthcare	1,400
Tractor Supply Co., Inc.	Farm Supplies	500
Owosso Public Schools	Education	371
Baker College	Higher Education	300
Crest Marine LLC	Pontoon Boats	200
Durand Senior Care & Rehab Center	Retirement Home	181
Durand Area Schools	Education	161
Laingsburg Community Schools	Education	150
Sonoco Products Co.	Foam Packaging	150
Webcor Packaging Corp.	Corrugated Boxes	150
Woodard, LLC	Metal Furniture	150
Walmart	Retail & Grocery	150
Perry Public Schools	Education	134
Georgia-Pacific Corrugated, LLC	Corrugated Boxes	125

Source: Michigan Manufacturers Directory, MEDC website via www.michiganbusiness.org, and individual employers.

EMPLOYMENT BREAKDOWN

The U.S. Census Bureau, 2020-2024 American Community Survey reports the occupational breakdown of persons 16 years and over for the City of Corunna and the County of Shiawassee as follows:

PERSONS BY OCCUPATION	City of Corunna		County of Shiawassee	
	Number	Percent	Number	Percent
	1,198	100.00%	32,128	100.00%
Management, Business, Science & Arts	202	16.86	10,123	31.51
Service	331	27.63	5,783	18.00
Sales & Office	316	26.38	6,037	18.79
Natural Resources, Construction & Maintenance	131	10.93	3,743	11.65
Production, Transportation & Material Moving	218	18.20	6,442	20.05

The U.S. Census Bureau, 2020-2024 American Community Survey reports the breakdown by industry for persons 16 years and over for the City of Corunna and the County of Shiawassee as follows:

PERSONS BY INDUSTRY	City of Corunna		County of Shiawassee	
	Number	Percent	Number	Percent
	1,198	100.00%	32,128	100.00%
Agriculture, Forestry, Fishing, Hunting & Mining	43	3.59	499	1.55
Construction	36	3.01	2,374	7.39
Manufacturing	201	16.77	5,828	18.14
Wholesale Trade	45	3.76	515	1.60
Retail Trade	196	16.36	3,795	11.81
Transportation, Warehousing & Utilities	39	3.26	1,752	5.45
Information	0	0.00	427	1.34
Finance, Insurance & Real Estate	15	1.25	1,500	4.67
Professional, Scientific & Management Services	51	4.26	2,301	7.16
Educational, Health & Social Services	278	23.20	7,359	22.91
Arts, Entertainment, Recreation & Food Services	118	9.85	2,221	6.91
Other Services except Public Administration	152	12.69	1,988	6.19
Public Administration	24	2.00	1,569	4.88

UNEMPLOYMENT

The U.S. Department of Labor, Bureau of Labor Market Statistics, reports unemployment averages for the County of Shiawassee as compared to the State of Michigan as follows:

Annual Average	County of Shiawassee	State of Michigan
April, 2026	4.8%	4.5%
2025	5.5	5.2
2024	5.0	4.7
2023	4.3	3.9
2022	4.6	4.2

POPULATION BY AGE

The U.S. Census Bureau, 2020-2024 American Community Survey reports the breakdown of population by age for the City of Corunna and the County of Shiawassee as follows:

	City of Corunna		County of Shiawassee	
	Number	Percent	Number	Percent
Total Population	3,037	100.00%	67,991	100.00%
0 through 19 years	673	22.16	15,400	22.65
20 through 64 years	1,628	53.61	39,118	57.53
65 years and over	736	24.23	13,473	19.82
Median Age	37.4 years		43.2 years	

INCOME

The U.S. Census Bureau, 2020-2024 American Community Survey reports the breakdown of household income for the City of Corunna and the County of Shiawassee as follows:

HOUSEHOLDS BY INCOME	City of Corunna		County of Shiawassee	
	Number	Percent	Number	Percent
	1,476	100.00%	28,126	100.00%
Less than \$ 10,000	140	9.49	1,092	3.88
\$ 10,000 to \$ 14,999	67	4.54	1,215	4.32
\$ 15,000 to \$ 24,999	114	7.72	2,072	7.37
\$ 25,000 to \$ 34,999	172	11.65	2,221	7.90
\$ 35,000 to \$ 49,999	319	21.61	3,612	12.84
\$ 50,000 to \$ 74,999	283	19.17	5,302	18.85
\$ 75,000 to \$ 99,999	191	12.94	3,817	13.57
\$100,000 to \$149,999	85	5.76	5,180	18.42
\$150,000 to \$199,999	83	5.62	2,346	8.34
\$200,000 or MORE	22	1.50	1,269	4.51
Median Income	\$46,141		\$67,404	

APPENDIX B
GENERAL FUND BUDGET SUMMARIES AND
COMPARATIVE FINANCIAL STATEMENTS

Corunna Public Schools
General Fund Budget Summaries

	As Final 2025/26	As Adopted 2026/27
Revenues		
Local Sources	\$2,924,331	\$2,922,619
Private Source	5,000	5,000
State Sources	20,750,730	20,932,303
Federal Sources	436,917	327,654
Other Sources	418,788	234,482
Internal Transfer	100,000	100,000
Total Revenues	<u>\$24,635,766</u>	<u>\$24,522,058</u>
Expenditures		
Instructional Services		
Basic Program	\$11,292,105	\$10,914,079
Added Needs	3,813,324	3,781,555
Support		
Pupil	1,060,619	1,261,974
Staff	614,268	520,892
General Administration	857,974	699,516
School Administration	1,749,750	1,725,844
Fiscal Services	328,059	369,688
Operations	3,141,518	3,373,641
Transportation	1,383,244	1,138,569
Central Support Services	505,686	382,212
Athletics	725,759	720,829
Community Services	240,954	349,984
Facility Improvements	1,346	320,750
Total Expenditures	<u>\$25,714,606</u>	<u>\$25,559,533</u>
Excess of Expenditures (over) under Revenues	<u>(\$1,078,840)</u>	<u>(\$1,037,475)</u>
Beginning Fund Balance - July 1	<u>\$3,395,151</u>	<u>\$2,316,311</u>
Projected Fund Balance - June 30	<u>\$2,316,311</u>	<u>\$1,278,836</u>

Source: School District

**Corunna Public Schools
General Fund
Comparative Balance Sheet**

	For Fiscal Years Ended June 30th		
	2023	2024	2025
Assets			
Cash and Cash Equivalents	\$2,816,192	\$3,014,578	\$3,094,636
Accounts Receivable	800,662	--	--
Due from Other Governmental Units	3,650,656	4,128,264	3,791,630
Due from Other Funds	60,095	105,399	133,785
Prepaid Expenses	17,950	--	--
Total Assets	<u>\$7,345,555</u>	<u>\$7,248,241</u>	<u>\$7,020,051</u>
Liabilities			
Accounts Payable	\$21,184	\$121,095	\$162,034
Due to Other Funds	517,413	14,613	2,923
Unearned Revenue	509,652	541,483	638,908
State Aid Anticipation Notes	385,935	391,422	390,907
Due to Other Governments	467,408	371,238	252,944
Accrued Payroll and Other Liabilities	2,015,556	2,122,712	2,177,184
Total Liabilities	<u>\$3,917,148</u>	<u>\$3,562,563</u>	<u>\$3,624,900</u>
Fund Balances			
Non-spendable prepaids	\$17,950		
Unreserved and Undesignated	3,410,457	\$3,685,678	\$3,395,151
Total Fund Balances	<u>\$3,428,407</u>	<u>\$3,685,678</u>	<u>\$3,395,151</u>
Total Liabilities and Fund Balances	<u><u>\$7,345,555</u></u>	<u><u>\$7,248,241</u></u>	<u><u>\$7,020,051</u></u>

Source: Audited Financial Statements

**Corunna Public Schools
General Fund**

**Comparative Statement of Revenues,
Expenditures and Changes in Fund Balance**

	For Fiscal Years Ended June 30th		
	2023	2024	2025
Revenues			
Local Sources	\$2,610,574	\$2,689,873	\$2,782,177
State Sources	18,594,702	20,113,657	19,929,847
Federal Sources	1,763,254	2,084,327	898,389
Interdistrict Sources	451,115	382,962	277,915
Private Sources	--	--	4,014
Total Revenues	<u>\$23,419,645</u>	<u>\$25,270,819</u>	<u>\$23,892,342</u>
Expenditures			
Current			
Instruction	\$13,951,509	\$14,165,143	\$14,201,001
Supporting Services	8,751,612	10,677,638	9,668,576
Community Service	484,223	228,150	263,752
Capital Outlay	311,474	1,650	147,239
Total Expenditures	<u>\$23,498,818</u>	<u>\$25,072,581</u>	<u>\$24,280,568</u>
Excess of Revenues Over (Under)			
Expenditures	<u>(\$79,173)</u>	<u>\$198,238</u>	<u>(\$388,226)</u>
Other Financing Sources (Uses)			
Operating Transfers In	\$69,470	\$59,033	\$97,699
Total Other Financing Sources (Uses)	<u>\$69,470</u>	<u>\$59,033</u>	<u>\$97,699</u>
Net Change in Fund Balance	(\$9,703)	\$257,271	(\$290,527)
Fund Balance - Beginning	<u>\$3,438,110</u>	<u>\$3,428,407</u>	<u>\$3,685,678</u>
Fund Balance - Ending	<u><u>\$3,428,407</u></u>	<u><u>\$3,685,678</u></u>	<u><u>\$3,395,151</u></u>

Source: Audited Financial Statements

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APPENDIX C
AUDITED FINANCIAL STATEMENTS

The auditor was not requested to examine or review and therefore has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds and accordingly has not conducted any post-audit review procedures and will not express any opinion with respect to the accuracy or completeness of such financial documents, statements or materials.

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INDEPENDENT AUDITOR'S REPORT

October 16, 2025

Board of Education
Corunna Public Schools
Corunna, 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 Corunna Public Schools (School District), as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School 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 Corunna Public Schools as of June 30, 2025 and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 15 to the financial statements, in 2025, the School District adopted new Accounting guidance, GASBS No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



WEINLANDER FITZHUGH
Certified Public Accountants & Advisors

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Corunna Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Corunna Public Schools' ability to continue as a going concern for a reasonable period of time.

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



Required Supplementary Information

U.S. generally accepted accounting principles requires that the management's discussion and analysis, budgetary comparison information and pension and OPEB schedules, as noted in the table of contents to 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 U.S. generally accepted auditing standards, 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 the School District's basic financial statements. The combining nonmajor fund financial statements, schedules of bonded indebtedness, 2021 capital projects balance sheet, 2021 capital projects statement of revenues, expenditures and changes in fund balance are presented for the purpose 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 GAAS. In our opinion, the combining nonmajor fund financial statements, schedules of bonded indebtedness, 2021 capital projects balance sheet, 2021 capital projects statement of revenues, expenditures and changes in fund balance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2025, on our consideration of the School District's 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 the School District's 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 the School District's internal control over financial reporting and compliance.

Weinlander Fitzhugh

Our discussion and analysis of Corunna Public Schools' (School District) financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2025.

Financial Highlights

The School District's net position increased by \$4,685,227 or 28%. Program revenues were \$11,625,931 or 40% of total revenues, and general revenues were \$17,086,873 or 60%.

The General Fund reported a positive fund balance of \$3,395,151. The Food Service Fund reported a positive fund balance of \$899,647.

Using this Annual Financial Report

This annual financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District financially as a whole. The *District-wide Financial Statements* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds - the General Fund and Food Service Fund, with all other funds presented in one column as nonmajor funds. The following summarizes the presentation included in this annual financial report.

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

Basic Financial Statements

- District-wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

Budgetary Information for the General Fund (Required Supplemental Information)

Budgetary Information for the Food Service Fund (Required Supplemental Information)

Pension Schedules (Required Supplemental Information)

OPEB Schedules (Required Supplemental Information)

Other Supplemental Information

CORUNNA PUBLIC SCHOOLS
Management's Discussion & Analysis
For the Year Ended June 30, 2025

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the School District's finances is: "Is the School District better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the School District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the School District's net position as a way to measure the School District's financial position. The change in net position provides the reader a tool to assist in determining whether the School District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, student enrollment growth and facility conditions in arriving at their conclusion regarding the overall health of the School District.

Reporting the District's Most Significant Funds

Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by State law and by bond covenants. Other funds are established to help it control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants and other sources of revenue.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources available to spend in the near future to finance the School District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

CORUNNA PUBLIC SCHOOLS
Management's Discussion & Analysis
For the Year Ended June 30, 2025

District-wide Financial Analysis

The statement of net position provides the perspective of the School District as a whole. Exhibit A provides a summary of the School District's net position as of June 30, 2025 and 2024:

Exhibit A	Governmental Activities	
	2025	2024
	*	
Assets		
Current and other assets	\$ 9,218,193	\$ 10,200,405
Net OPEB asset	4,488,206	586,048
Capital assets - net of accumulated depreciation	25,200,580	25,665,159
Total assets	38,906,979	36,451,612
Deferred Outflows of Resources		
Related to pensions and OPEB	9,114,270	11,522,369
Liabilities		
Current liabilities	5,043,931	5,049,857
Long-term liabilities	40,610,878	49,171,806
Total liabilities	45,654,809	54,221,663
Deferred Inflows of Resources		
Related to pensions and OPEB	14,652,351	10,723,456
Net Position		
Net investment in capital assets	9,093,203	8,257,869
Restricted	797,162	1,185,410
Restricted for net OPEB asset	4,488,206	586,048
Unrestricted	(26,664,482)	(27,000,465)
Total net position	\$ (12,285,911)	\$ (16,971,138)

*The 2024 figures have not been updated for the adoption of GASB 101.

The analysis above focuses on net position (see Exhibit A). The School District's net position of governmental activities was \$(12,285,911) at June 30, 2025. Investment in property and equipment, net of related debt totaling \$9,093,203, compares the original costs less depreciation of the School District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt requirements and legislation that limit the School District's ability to use that net position for day-to-day operations.

CORUNNA PUBLIC SCHOOLS
Management's Discussion & Analysis
For the Year Ended June 30, 2025

The \$(26,664,482) in unrestricted net position of governmental activities represents the *accumulated* results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

The School District implemented GASB Statement No. 68 in 2015. The effect of this Statement required the School District to report in the summary of net position, a liability of \$25,581,355 for 2025 and \$32,900,822 for 2024.

The School District implemented GASB Statement No. 75 in 2018. The effect of this Statement required the School District to report in the summary of net position, an (asset) liability of \$(4,488,206) for 2025 and \$(586,048) for 2024.

The results of this year's operations for the School District as a whole are reported in the statement of activities. Exhibit B provides a summary of the changes in net position for the years ended June 30, 2025 and 2024.

	Governmental Activities	
	2025	2024
Exhibit B		
Revenues		
Program revenue:		
Charges for services	\$ 1,202,504	\$ 1,276,862
Grants and categoricals	10,423,427	11,345,804
General revenue:		
Property taxes	3,753,628	3,732,083
State aid	13,187,871	13,712,888
Other	145,374	167,550
Total revenues	<u>28,712,804</u>	<u>30,235,187</u>
Function/Program Expenses		
Instruction	11,468,379	12,489,581
Support services	7,806,216	8,116,488
Community services	263,752	228,150
Food services	1,818,051	1,598,151
Student activities	438,629	421,149
Capital outlay	99,921	19,254
Interest on long-term debt	470,385	512,981
Depreciation (unallocated)	1,662,244	1,291,071
Total expenses	<u>24,027,577</u>	<u>24,676,825</u>
Change in Net Position	<u>\$ 4,685,227</u>	<u>\$ 5,558,362</u>

*The 2024 figures have not been updated for the adoption of GASB 101.

CORUNNA PUBLIC SCHOOLS
Management's Discussion & Analysis
For the Year Ended June 30, 2025

As reported in the statement of activities, the cost of all of our governmental activities this year was \$24,027,577. Certain activities were partially funded from those who benefited from the programs, \$1,202,504, or by the other governments and organizations that subsidized certain programs with grants and categoricals of \$10,423,427. We paid for the remaining "public benefit" portion of our governmental activities with \$3,753,628 in taxes, \$13,187,871 in State aid and with our other revenues, such as interest and entitlements.

The School District's governmental activities had an increase in net position of \$4,685,227. The major reason was due to an increase in revenue from local sources (property taxes), foundation allowance, and federal and state grant allocations.

The School District's Funds

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

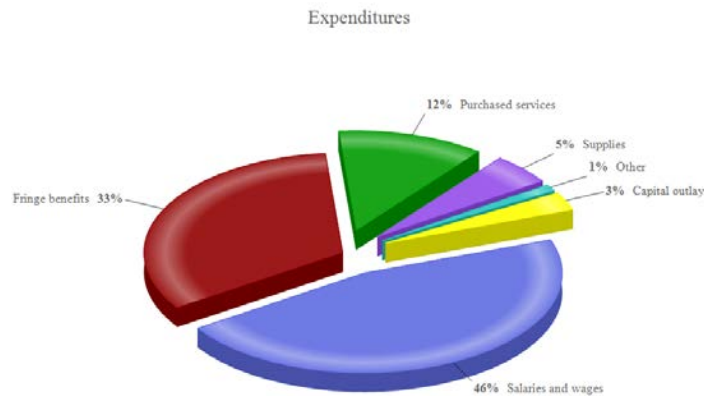
The School District's governmental funds reported a combined fund balance of \$5,521,913, which is below last year's total of \$6,400,832. The schedule below indicates the fund balance and the total change in fund balances as of June 30, 2025 and 2024.

	Fund Balance 6/30/2025	Fund Balance 6/30/2024	Increase (Decrease)
General Fund	\$ 3,395,151	\$ 3,685,678	\$ (290,527)
Special Revenue Funds	1,231,949	1,424,460	(192,511)
Debt Service Funds	516,981	551,352	(34,371)
Capital Project Funds	377,832	739,342	(361,510)
	<u>\$ 5,521,913</u>	<u>\$ 6,400,832</u>	<u>\$ (878,919)</u>

- Our General Fund decrease is mainly due to the expiration of ESSER revenue and increased salary & benefit costs.
- Our Special Revenue Funds decreased is primarily due to a reduction in local revenue and increased equipment purchases as part of our spend down plan.
- Our Debt Service Funds decreased due to the repayment of prior-year tax overpayments identified through a township audit, and a decrease in current revenue.
- Our Capital Projects Funds decreased due to projects completed during the fiscal year.

CORUNNA PUBLIC SCHOOLS
 Management's Discussion & Analysis
 For the Year Ended June 30, 2025

As the graph below illustrates, the largest portions of General Fund expenditures are for salaries and fringe benefits. The School District by nature is a labor intensive organization.



<u>Expenditures by Object</u>	<u>2025</u>	<u>2024</u>
Salaries and wages	\$ 11,220,350	\$ 10,686,037
Fringe benefits	8,006,294	8,303,689
Purchased services	3,008,018	3,390,883
Supplies	1,166,891	1,213,917
Capital outlay	794,596	1,378,426
Other	84,419	99,629
Total	<u>\$ 24,280,568</u>	<u>\$ 25,072,581</u>

Expenditures have decreased by \$792,013 from the prior year mainly due to reduced UAAL costs and eliminated ESSER funding.

CORUNNA PUBLIC SCHOOLS
 Management's Discussion & Analysis
 For the Year Ended June 30, 2025

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget to reflect changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements. Changes to the General Fund original budget were as follows:

- Final budgeted revenues were increased by \$936,326 due to additional local, state and federal funding received.
- Final budgeted expenditures were increased by \$832,385 due to additional state and federal grant funding received.
- Budgeted revenues exceeded actual revenues by \$1,093,945 due to not incurring expenditures by the end of the fiscal year. Grant revenues are not recognized until expenditures have been incurred.
- Budgeted expenditures exceeded actual expenditures by \$1,486,542 due to not incurring expenditures by the end of the fiscal year.

Capital Assets

At June 30, 2025, the School District had \$25,200,580 invested in a broad range of capital assets, including land, buildings, furniture and equipment. This amount represents a net decrease (including additions and disposals) of 2% from last year.

	<u>2025</u>	<u>2024</u>
Land	\$ 560,532	\$ 560,532
Construction in progress	0	8,143,872
Buildings and improvements	43,429,597	34,415,051
Buses and other vehicles	2,002,436	1,805,035
Furniture and equipment	1,858,492	1,728,902
Total capital assets	47,851,057	46,653,392
Less accumulated depreciation	22,650,477	20,988,233
Net capital assets	<u>\$ 25,200,580</u>	<u>\$ 25,665,159</u>

This year's additions of \$1,197,665 were for equipment, building, and land improvements.

We anticipate capital additions to be determined by the Board of Education. We present more detailed information about our capital assets in the notes to the financial statements.

CORUNNA PUBLIC SCHOOLS
Management's Discussion & Analysis
For the Year Ended June 30, 2025

CORUNNA PUBLIC SCHOOLS
Statement of Net Position
June 30, 2025

Debt

At the end of this year, the School District had \$14,370,000 in bonds outstanding versus \$15,515,000 in the previous year - a decrease of 7%.

	2025	2024
2016 Bonds	\$ 9,000,000	\$ 9,835,000
2021 Bonds	5,370,000	5,680,000
	<u>\$ 14,370,000</u>	<u>\$ 15,515,000</u>

We present more detailed information about our debt in the notes to the financial statements.

Factors Expected to have an Effect on Future Operations

Our elected Board and administration consider many factors when setting the School District's 2026 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2026 fiscal year budget was adopted in June 2025, based on an estimate of students that will be enrolled in September 2025. Under State law, the School District cannot access additional property tax revenue for general operations. Based on early enrollment data at the start of the 2025-2026 school year, we anticipate that the fall student count will be close to the estimates used in creating the 2026 fiscal year budget. Once the final student count and related per pupil funding is validated, State law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the School District's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts. The State periodically holds a revenue-estimating conference to estimate revenues. The most recent outcome of the revenue-estimating conference confirmed a balance within the State Aid Fund. This balance, along with recent political debates surrounding the funding of public education, has resulted in the passage of PA120 of 2024, which was approved after the adoption of our initial budget and did not allow for an increase in the per pupil foundation allowance. However, PA120 did provide for some additional MPSERS funding to relieve some of the districts and employee retirement costs. The current economic climate and continuous political debates over the funding of public education may affect our 2025-2026 and future budget estimates.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Superintendent
 Corunna Public Schools
 124 North Shiawassee Street
 Corunna, MI 48817

	<u>Governmental Activities</u>
Cash and investments	\$ 5,300,102
Receivables - net:	
Due from other governmental units	3,898,257
Inventory	19,834
Capital assets less accumulated depreciation \$22,650,477	25,200,580
Net OPEB Asset	<u>4,488,206</u>
 Total assets	 <u>38,906,979</u>
 <u>Deferred Outflows of Resources</u>	
Related to pensions	7,854,810
Related to OPEB	<u>1,259,460</u>
 Total deferred outflows of resources	 <u>9,114,270</u>
 <u>Liabilities</u>	
Accounts payable	218,628
Unearned revenue	648,475
State aid anticipation notes	390,907
Accrued interest payable	97,651
Due to other governments	252,944
Accrued payroll and other liabilities	2,185,326
Long-term liabilities:	
Due within one year	1,250,000
Due in more than one year	15,029,523
Net pension liability	<u>25,581,355</u>
 Total liabilities	 <u>45,654,809</u>
 <u>Deferred Inflows of Resources</u>	
Related to pensions	8,743,841
Related to OPEB	<u>5,908,510</u>
 Total deferred inflows of resources	 <u>14,652,351</u>
 <u>Net Position</u>	
Net investment in capital assets	9,093,203
Restricted for debt service	419,330
Restricted for capital projects	377,832
Restricted for net OPEB asset	4,488,206
Unrestricted	<u>(26,664,482)</u>
 Total net position	 <u>\$ (12,285,911)</u>

See accompanying notes to financial statements.

CORUNNA PUBLIC SCHOOLS
Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues			Governmental Activities
Expenses	Charges for Services	Operating Grants/ Contributions	Net (Expense) Revenue and Changes in Net Position	
Functions/Programs				
Primary government -				
Governmental activities:				
Instruction	\$ 11,468,379	\$ 0	\$ 8,517,517	\$ (2,950,862)
Support services	7,806,216	69,146	0	(7,737,070)
Community services	263,752	649,075	0	385,323
Food services	1,818,051	85,157	1,905,910	173,016
Student activities	438,629	399,126	0	(39,503)
Capital outlay	99,921	0	0	(99,921)
Interest on long-term debt	470,385	0	0	(470,385)
Depreciation (unallocated)	1,662,244	0	0	(1,662,244)
Total governmental activities	<u>\$ 24,027,577</u>	<u>\$ 1,202,504</u>	<u>\$ 10,423,427</u>	<u>(12,401,646)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes			2,012,593	
Property taxes, levied for debt services			1,741,035	
State aid			13,187,871	
Interest and investment earnings			37,422	
Other			107,952	
Total general revenues			<u>17,086,873</u>	
Change in net position			4,685,227	
Net position - beginning of year			<u>(16,971,138)</u>	
Net position - end of year			<u><u>\$ (12,285,911)</u></u>	

See accompanying notes to financial statements.

CORUNNA PUBLIC SCHOOLS
Governmental Funds
Balance Sheet
June 30, 2025

	General	Food Service	Other Nonmajor Governmental Funds	Total
Assets				
Cash and investments	\$ 3,094,636	\$ 954,554	\$ 1,250,912	\$ 5,300,102
Receivables - net				
Due from other funds	133,785	901	15,453	150,139
Due from other governmental units	3,791,630	106,627	0	3,898,257
Inventory	0	19,834	0	19,834
Total assets	<u>\$ 7,020,051</u>	<u>\$ 1,081,916</u>	<u>\$ 1,266,365</u>	<u>\$ 9,368,332</u>
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 162,034	\$ 44,012	\$ 12,582	\$ 218,628
Due to other funds	2,923	120,548	26,668	150,139
Unearned revenue	638,908	9,567	0	648,475
State aid anticipation notes	390,907	0	0	390,907
Due to other governments	252,944	0	0	252,944
Accrued payroll and other liabilities	2,177,184	8,142	0	2,185,326
Total liabilities	<u>3,624,900</u>	<u>182,269</u>	<u>39,250</u>	<u>3,846,419</u>
Fund Balance				
Nonspendable - inventory	0	19,834	0	19,834
Restricted for debt service	0	0	516,981	516,981
Restricted for capital projects	0	0	377,832	377,832
Restricted for food service	0	879,813	0	879,813
Committed for student activities	0	0	332,302	332,302
Unassigned	3,395,151	0	0	3,395,151
Total fund balance	<u>3,395,151</u>	<u>899,647</u>	<u>1,227,115</u>	<u>5,521,913</u>
Total liabilities and fund balance	<u>\$ 7,020,051</u>	<u>\$ 1,081,916</u>	<u>\$ 1,266,365</u>	<u>\$ 9,368,332</u>

See accompanying notes to financial statements.

CORUNNA PUBLIC SCHOOLS
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

Total fund balance - governmental funds	\$ 5,521,913
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	
Cost of the capital assets	47,851,057
Accumulated depreciation	(22,650,477)
Deferred outflows used in governmental activities are not financial resources and therefore are not reported in governmental funds:	
Related to pensions	7,854,810
Related to OPEB	1,259,460
Net OPEB asset	4,488,206
Long-term liabilities are not due and payable in the current period and are not reported in the funds:	
Bonds payable	(14,370,000)
Compensated absences	(172,146)
Bond premium	(1,737,377)
Net pension liability	(25,581,355)
Accrued interest payable is included as a liability in governmental activities	(97,651)
Deferred inflows used in governmental activities are not recognized as current resources and therefore are not reported in governmental funds:	
Related to pensions	(8,743,841)
Related to OPEB	(5,908,510)
Total net position - governmental activities	<u>\$ (12,285,911)</u>

See accompanying notes to financial statements.
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CORUNNA PUBLIC SCHOOLS
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025

	<u>General</u>	<u>Food Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Revenues</u>				
Local sources	\$ 2,782,177	\$ 85,157	\$ 2,180,385	\$ 5,047,719
State sources	19,929,847	336,313	0	20,266,160
Federal sources	898,389	1,569,597	0	2,467,986
Private sources	4,014	0	0	4,014
Interdistrict and other sources	277,915	0	0	277,915
Total revenues	<u>23,892,342</u>	<u>1,991,067</u>	<u>2,180,385</u>	<u>28,063,794</u>
<u>Expenditures</u>				
Current:				
Instruction	14,201,001	0	0	14,201,001
Support services	9,668,576	0	0	9,668,576
Community services	263,752	0	0	263,752
Food service	0	2,046,376	0	2,046,376
Student activities	0	0	438,629	438,629
Capital outlay	147,239	0	399,208	546,447
Debt service:				
Principal	0	0	1,145,000	1,145,000
Interest and other	0	0	632,932	632,932
Total expenditures	<u>24,280,568</u>	<u>2,046,376</u>	<u>2,615,769</u>	<u>28,942,713</u>
Excess (deficiency) of revenues over expenditures	<u>(388,226)</u>	<u>(55,309)</u>	<u>(435,384)</u>	<u>(878,919)</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfer in	97,699	0	0	97,699
Operating transfer out	0	(97,699)	0	(97,699)
Total other financing sources (uses)	<u>97,699</u>	<u>(97,699)</u>	<u>0</u>	<u>0</u>
Net change in fund balance	(290,527)	(153,008)	(435,384)	(878,919)
Fund balance - beginning of year	<u>3,685,678</u>	<u>1,052,655</u>	<u>1,662,499</u>	<u>6,400,832</u>
Fund balance - end of year	<u>\$ 3,395,151</u>	<u>\$ 899,647</u>	<u>\$ 1,227,115</u>	<u>\$ 5,521,913</u>

See accompanying notes to financial statements.
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CORUNNA PUBLIC SCHOOLS
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

CORUNNA PUBLIC SCHOOLS
 Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net change in fund balance - total governmental funds	\$ (878,919)
Amounts reported for governmental activities in the statements of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	
Depreciation expense	(1,662,244)
Capital outlay	1,197,665
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	1,145,000
The issuance of long-term debt (e.g. bonds) provide current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities. The effect of these differences is the treatment of long-term debt and related items as follows:	
Amortization of bond premium	154,913
Increases in compensated absences are reported as an addition in expenditures when financial resources are used in the governmental fund in accordance with GASB Interpretation No. 6	(163,452)
Changes in accrued interest are reported as a reduction in expenditures on the Statement of Activities	7,633
Some revenues and expenses reported in the statement of activities are not recognized as or require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	
Pension related items	2,944,012
OPEB related items	1,940,619
Change in net position of governmental activities	<u>\$ 4,685,227</u>

The accounting policies of Corunna Public Schools (the "School District") conform to U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's government-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments and other items that are not properly included among program revenues are reported as general revenue.

Major individual governmental funds are reported as separate columns in the fund financial statements.

See accompanying notes to financial statements.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Amounts reported as program revenue include; (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted State aid.

Fund-based Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue 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.

Property taxes, unrestricted state aid, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The School District reports the following major governmental fund:

General Fund - The General Fund is used to record the general operations of the School District pertaining to education and those operations not provided for in other funds. Included are all transactions related to the approved current operating budget.

Food Service Fund - The Food Service Fund is used to record the food service operations of the School District pertaining to the School Districts breakfast and lunch programs. Included are all transactions related to the approved current operating budget.

Assets, Liabilities, and Net Position or Equity

Cash and Investments - Cash and cash equivalents include cash on hand, demand deposits and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

Inventory and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventory is maintained in the General Fund and Special Revenue Fund (Food Service Fund). Certain payments to vendors reflect costs applicable to future fiscal years and is recorded as prepaid items in both district-wide and fund financial statements.

Capital Assets - Capital assets, which include land, buildings, equipment and vehicles, are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and any asset susceptible to theft. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure-type assets.

Buildings, equipment and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20-50 years
Buses and other vehicles	8 years
Furniture and equipment	5-20 years

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

Long-term Obligations - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

Defined Benefit Plan - For purposes of measuring the net pension and other postemployment benefit liability, 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 (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity - The fund balance classifications are reported on the extent to which a government is bound to observe constraints imposed on the use of the resources in governmental funds. The fund balances are classified as nonspendable, restricted, committed, assigned and unassigned.

Nonspendable fund balance represents amounts that are not in a spendable form. The School District's nonspendable fund balance represents inventories and prepaid expenditures. In the fund financial statements, governmental funds report restrictions on fund balances for amounts that are legally restricted by outside parties for a specific purpose. Committed fund balance represents funds formally set aside by the School District for a particular purpose. The use of committed funds would be approved by the Board of Education through the budget process or official board action.

Assigned fund balance would represent tentative management plans that are subject to change which at the present time the School District does not have any assigned fund balance. The School District's intent would be to spend uncommitted/unassigned funds prior to the use of committed funds. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Deferred Outflows and Inflows of Resources

Deferred Outflows - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For district-wide financial statements, the School District reports deferred outflows of resources related to pensions and other postemployment benefits. Changes in assumptions relating to the net pension and other postemployment benefits liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan. The School District also reported deferred outflows of resources for pension and other postemployment benefits contributions made after the measurement date. This amount will reduce the net pension and other postemployment benefits liability in the following year. Deferred outflows are also present for the result of an difference between what the plan expected to experience and what was actually experienced. This amount will be amortized over the next four years and included in pension and other postemployment benefits expense. There is also a deferred outflow for changes in proportion and differences between employer contributions and proportionate share of contributions. This amount will be amortized over the next four years and included in pension and other postemployment benefits expense.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For district-wide financial statements, the School District reports deferred inflows of resources related to pensions and other postemployment benefits. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and other postemployment benefits expense. The amount is the result of an difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and other postemployment benefits expense. Changes in assumptions relating to the net pension liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan. Deferred inflows of resources also includes revenue received relating to Section 147c state aid deferred to offset the deferred outflows related to Section 147c pension contributions subsequent to the measurement period. There is also a deferred inflow for changes in proportion and differences between employer contributions and proportionate share of contributions. This amount will be amortized over the next six years and included in pension and other postemployment benefits expense.

Use of Estimates - The process of preparing the basic financial statements in conformity with U.S. generally accepted accounting principles 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.

Property Taxes - For the taxpayers of the School District, properties are assessed as of December 31 and the related property taxes are levied and become a lien on July 1. The final collection date is February 28, after which uncollected taxes are added to the County delinquent tax rolls.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

State Aid - For the fiscal year ended June 30, 2025, the State of Michigan adopted a foundation grant approach which provides for a specific annual amount of revenue per student based on a state-wide 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 the average pupil membership counts taken in February and October of 2024.

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 (currently the fiscal year) and is funded through payments from October 2024 - August 2025. The local revenue is recognized as outlined in Note 1. Amounts receivable from the State of Michigan at June 30, 2025 relating to state aid is \$3,370,498.

The School 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 categorical 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 deferred revenue. Other categorical funding is recognized when the appropriation is received.

Events Occurring After Reporting Date

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date of the accompanying Independent Auditor's Report, which is the date the financial statements were available to be issued.

NOTE 2 - BUDGETS

The State of Michigan adopted a Uniform Budgeting and Accounting Act (Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for General and Special Revenue Funds of school districts prior to the expenditure of monies in a fiscal year.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 2 - BUDGETS (CONTINUED)

Corunna Public Schools follow these procedures in establishing the budgetary data reflected in the financial statements.

1. The School District's Superintendent submits to the Board of Education a proposed budget prior to July 1 of each year. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Budgeted amounts are as originally adopted, or as amended by the Board of Education throughout the year. Budgets are adopted to the functional level.
4. Appropriations lapse at year-end and therefore cancels all encumbrances. These appropriations are re-established at the beginning of the following year.

A comparison of actual results of operations to the budgeted amounts (at the level of control adopted by the Board of Education) for the General Fund is presented as Required Supplemental Information.

Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the General Fund and Food Service Fund are noted in the required supplementary information section.

NOTE 3 - CASH AND INVESTMENTS

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

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
4. The United States government or federal agency obligations repurchase agreements.
5. Bankers acceptances of United States banks.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

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

At year-end, the School District's deposits and investments were reported in the basic financial statements in the following categories:

	Primary Government
Cash and cash equivalents	\$ 5,300,102

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

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of June 30, 2025, \$4,927,913 of the School District's bank balance of \$5,436,093 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

The School District 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 School District will do business.

Interest rate risk. In accordance with its investment policy, the School 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 School District's cash requirements.

Investment type	Fair value	Weighted average maturity (years)
MILAF+ Cash Management Class	\$ 419,234	N/A

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Concentration of credit risk. The School District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the School 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 by credit quality.

Investment type	Fair value	Rating	Rating Agency
MILAF+ Cash Management Class	\$ 419,234	AAAm	Standard & Poor's

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

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

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the School District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The School District does not have any investments subject to the fair value hierarchy.

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

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

	Amortized
MILAF+ Cash Management Class	Cost
	<u>\$ 419,234</u>

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

NOTE 4 - CAPITAL ASSETS

A summary of changes in governmental capital assets follows:

	Balance June 30, 2024	Additions	Disposals and Adjustments	Balance June 30, 2025
Assets not being depreciated:				
Land	\$ 560,532	\$ 0	\$ 0	\$ 560,532
Construction in progress	<u>8,143,872</u>	<u>0</u>	<u>(8,143,872)</u>	<u>0</u>
Subtotal	<u>8,704,404</u>	<u>0</u>	<u>(8,143,872)</u>	<u>560,532</u>
Capital assets being depreciated:				
Buildings and improvements	34,415,051	9,014,546	0	43,429,597
Buses and other vehicles	1,805,035	197,401	0	2,002,436
Furniture and equipment	<u>1,728,902</u>	<u>129,590</u>	<u>0</u>	<u>1,858,492</u>
Subtotal	<u>37,948,988</u>	<u>9,341,537</u>	<u>0</u>	<u>47,290,525</u>
Accumulated depreciation:				
Buildings and improvements	18,691,706	1,463,799	0	20,155,505
Buses and other vehicles	1,344,268	121,094	0	1,465,362
Furniture and equipment	<u>952,259</u>	<u>77,351</u>	<u>0</u>	<u>1,029,610</u>
Subtotal	<u>20,988,233</u>	<u>1,662,244</u>	<u>0</u>	<u>22,650,477</u>
Net capital assets being depreciated	<u>16,960,755</u>	<u>7,679,293</u>	<u>0</u>	<u>24,640,048</u>
Net capital assets	<u>\$ 25,665,159</u>	<u>\$ 7,679,293</u>	<u>\$ (8,143,872)</u>	<u>\$ 25,200,580</u>

Depreciation expense for fiscal year ended June 30, 2025 was \$1,662,244. The School District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund receivable and payable balances at June 30, 2025 are as follows:

		Payables					
		General Fund	Food Service	2016 Debt Retirement	2021 Debt Retirement	Student Activities	Total
Receivables	General Fund	\$ 0	\$ 120,548	\$ 2,136	\$ 927	\$ 10,174	\$ 133,785
	Food Service	901	0	0	0	0	901
	2016 Debt Retirement	1,064	0	0	0	0	1,064
	2021 Debt Retirement	362	0	13,431	0	0	13,793
	Student Activities	<u>596</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>596</u>
			<u>\$ 2,923</u>	<u>\$ 120,548</u>	<u>\$ 15,567</u>	<u>\$ 927</u>	<u>\$ 10,174</u>

A summary of interfund transfers made during the year ended June 30, 2025 are as follows:

		Transfers Out
		Food Service
Transfers In	General Fund	<u>\$ 97,699</u>

These interfund receivable and payable balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The interfund transfers resulted from the indirect cost transfer from Food Service to General Fund.

NOTE 6 - RECEIVABLES

Receivables at June 30, 2025 consist of accounts (fees), intergovernmental grants and interest.

A summary of the intergovernmental receivables (due from other governmental units) follows:

State aid	\$ 3,370,498
Shiawassee RESD	256,631
Federal grants	193,626
Eaten RESD	47,113
Other various state grants	24,270
Townships	6,119
	<u>\$ 3,898,257</u>

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 7 - UNEARNED REVENUE

Governmental funds report unearned revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also reflect unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, grant and categorical aid payments received prior to meeting all eligibility requirements amounted to \$648,475.

NOTE 8 - SHORT-TERM DEBT ACTIVITY

The School District issues state aid anticipation notes in advance of State of Michigan state aid payments, depositing the proceeds in its General Fund. These notes are necessary because the School District's cash flow obligation to operating expenses precede the collection of state aid. At June 30, 2025, the School District has issued state aid anticipation notes payable in the amount of \$550,000, which has an interest rate of 3.33% and \$300,000, which has an interest rate of 3.31%. The notes mature on July 21, 2025 and August 20, 2025, consecutively. The notes are secured by the full faith and credit of the School District as well as pledged state aid. In an event of a default on the notes, the state may impose a penalty interest rate and at the state's discretion, accelerate the repayment terms. Activity for the year ended June 30, 2025 is as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
State Aid	\$ 391,422	\$ 876,770	\$ 877,285	\$ 390,907

Subsequent to year-end the School District issued a state aid anticipation note payable in the amount of \$700,000 which has an interest rate of 2.79% and matures on July 20, 2026. An additional state aid anticipation note was issued in the amount of \$300,000, which has an interest rate of 2.77% and matures on August 20, 2026.

NOTE 9 - LONG-TERM OBLIGATIONS

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

	Balance June 30, 2024	Additions	Retirements and Payments	Balance June 30, 2025	Amount Due Within One Year
General obligation bonds	\$ 17,407,290	\$ 0	\$ 1,299,913	\$ 16,107,377	\$ 1,250,000
Compensated absences*	8,694	163,452	0	172,146	0
	<u>\$ 17,415,984</u>	<u>\$ 163,452</u>	<u>\$ 1,299,913</u>	<u>\$ 16,279,523</u>	<u>\$ 1,250,000</u>

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

*The change in compensated absences is presented as a net change from prior year with no restatement of the previous balance since the implementation of GASB 101 was not a material impact at the government-wide statements.

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

General obligation bonds:

\$14,925,000, 2016 Building & Site Bonds due in annual installments of \$650,000 to \$925,000 through May 1, 2035; interest at 4.00% to 5.00%	\$ 9,000,000
\$6,250,000, 2021 Building & Site Bonds due in annual installments of \$145,000 to \$545,000 through May 1, 2039; interest at 3.00% to 4.00%	<u>5,370,000</u>
Subtotal	14,370,000
Bond premium	<u>1,737,377</u>
Total bonded debt	<u>\$ 16,107,377</u>

The annual debt service requirements on long-term debt as of June 30, 2025, including interest payments are as follows:

Year Ended June 30	General Obligation Bonds		
	Principal	Interest	Total
2026	\$ 1,250,000	\$ 585,900	\$ 1,835,900
2027	1,305,000	535,900	1,840,900
2028	1,355,000	483,700	1,838,700
2029	1,045,000	429,500	1,474,500
2030	1,090,000	387,700	1,477,700
2031 - 2035	6,235,000	1,170,950	7,405,950
2036 - 2039	2,090,000	159,000	2,249,000
	<u>\$ 14,370,000</u>	<u>\$ 3,752,650</u>	<u>\$ 18,122,650</u>

NOTE 10 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for medical claims and participates in the SET-SEG risk pool for claims relating to workers' compensation, general liability, and property/casualty claims. Settled claims relating to the commercial insurance did not exceed the amount of insurance coverage in any of the past three fiscal years.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 10 - RISK MANAGEMENT (CONTINUED)

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

NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. MPERS issues a publicly available Comprehensive Annual 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 pension plans offered by MPERS is as follows:

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

Benefits Provided - Pension

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

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS (CONTINUED)

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 (MPERS) who became a member of MPERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

Pension Reform 2012

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

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

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

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

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

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

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 worked on or after September 4, 2012 choose between two retirement plans: the Pension Plus Plan and a Defined Contribution 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.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

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 contribution 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.

Pension Reform of 2023

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

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.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

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 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.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

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

	Pension	Other Postemployment Benefit
October 1, 2024 - September 30, 2025	20.96% - 30.11%	0.00% - 1.25%
October 1, 2023 - September 30, 2024	13.09% - 23.03%	7.06% - 8.31%

The School District's pension contributions for the year ended June 30, 2025 were equal to the required contribution total. Total pension contributions were approximately \$4,604,000. Of the total pension contributions approximately \$4,486,000 was contributed to fund the Defined Benefit Plan and approximately \$118,000 was contributed to fund the Defined Contribution Plan.

The School District's OPEB contributions for the year ended June 30, 2025 were equal to the required contribution total. Total OPEB contributions were approximately \$252,000. Of the total OPEB contributions approximately \$184,000 was contributed to fund the Defined Benefit Plan and approximately \$68,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefits, 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).

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

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

Pension Liabilities

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

MPERS (Plan) Non-University Employers:	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
Proportionate share	0.10449 %	0.10165 %
Net Pension liability for the School District	\$ 25,581,355	\$ 32,900,822

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

For the year ended June 30, 2025, the School District recognized pension expense of approximately \$2,309,000.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	\$ 694,040	\$ (277,945)
Net difference between projected and actual earnings on pension plan investments	0	(4,882,007)
Changes in assumptions	2,667,008	(1,874,304)
Changes in proportion and differences between employer contributions and proportionate share of contributions	666,512	(318,253)
Unearned revenue related to pension portion of section 147 c	0	(1,391,332)
School District's contributions subsequent to the measurement date	3,827,250	0
Total	\$ 7,854,810	\$ (8,743,841)

\$3,827,250, reported as deferred outflows of resources related to pensions resulting from School District employer 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	\$ (794,057)
2027	276,256
2028	(1,624,162)
2029	(1,182,986)
	<u>\$ (3,324,949)</u>

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

**NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)**

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

OPEB (Asset) Liabilities

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

MPSERS (Plan) Non-University Employers:	September 30, 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 (Asset) Liability	\$ (4,304,397,666)	\$ 2,118,062,641
Proportionate share	0.10427 %	0.10360 %
Net OPEB (Asset) Liability for the School District	\$ (4,488,206)	\$ (586,048)

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

For the year ended June 30, 2025, the School District recognized OPEB expense of approximately \$(1,068,000).

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

**NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)**

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ 0	\$ (4,756,128)
Net difference between projected and actual plan investments	0	(849,669)
Changes in assumption	980,289	(112,676)
Changes in proportion and differences between employer contributions and proportionate share of contributions	193,617	(190,037)
School District's contributions subsequent to the measurement date	<u>85,554</u>	<u>0</u>
Total	<u>\$ 1,259,460</u>	<u>\$ (5,908,510)</u>

\$85,554, reported as deferred outflows of resources related to OPEB resulting from School District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB (asset) liability 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	\$ (1,570,527)
2027	(941,737)
2028	(917,846)
2029	(795,075)
2030	(426,193)
Thereafter	(83,226)
	<u>\$ (4,734,604)</u>

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 groups.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

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 - The annual actuarial valuation report of the System used for these statements is dated September 30, 2024. 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 was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan and OPEB 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, 7.14% for year one and graded to 3.5% for 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.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

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

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

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

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

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

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

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

**NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)**

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

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

	Pension		
	1% Decrease	Discount Rate	1% Increase
School District's proportionate share of the net pension liability	<u>\$37,502,541</u>	<u>\$25,581,355</u>	<u>\$15,654,674</u>

Sensitivity of the net OPEB (asset) liability to changes in the discount rate - The following presents the School District's proportionate share of the net OPEB (asset) liability calculated using the discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net OPEB (asset) 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:

	Other postemployment benefit		
	1% Decrease	Discount Rate	1% Increase
School District's proportionate share of the net OPEB (asset) liability	<u>\$(3,468,523)</u>	<u>\$(4,488,206)</u>	<u>\$(5,369,830)</u>

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

**NOTE 11 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)**

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

	Other postemployment benefit		
	1% Decrease	Current Healthcare cost trend rates	1% Increase
School District's proportionate share of the net OPEB (asset) liability	<u>\$(5,369,840)</u>	<u>\$(4,488,206)</u>	<u>\$(3,542,659)</u>

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 2023 Annual Comprehensive Financial Report.

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

NOTE 12 - GRANTS

The School District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the School District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund. Based on prior experience, the School District administration believes such disallowance, if any, would be immaterial.

NOTE 13 - ECONOMIC DEPENDENCY

The School District received approximately 83% of their General Fund revenue from the Michigan Department of Education. Due to the significance of this revenue source to the School District, the School District is considered to be economically dependent.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 14 - BOND

The 2021 Building and Site Fund includes capital project activities funded with bonds. For this capital project, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code.

The 2021 Capital Projects fund beginning with the year of bond issuance, the School District has reported the annual construction activity in the 2021 Capital Projects Fund. The project for which the 2021 School Building and Site Bonds - Proposal II were issued substantial completion on January 2, 2025 to be considered as of June 30, 2025. The cumulative expenditures recognized for the construction period were \$2,527,987. The School District presents more detailed schedules in supplemental information.

NOTE 15 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2025, the School District implemented the following new pronouncement:

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 16 - TAX ABATEMENTS

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

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

There are no significant abatements made by the School District.

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 17 - UPCOMING ACCOUNTING PRONOUNCEMENT

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

CORUNNA PUBLIC SCHOOLS
Notes to Financial Statements
For the Year Ended June 30, 2025

CORUNNA PUBLIC SCHOOLS
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

NOTE 17 - UPCOMING ACCOUNTING PRONOUNCEMENT (CONTINUED)

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 asset recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires additional disclosures for capital assets held for sale. The School District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
Revenues				
Local sources	\$ 3,026,614	\$ 3,039,190	\$ 2,782,177	\$ (257,013)
State sources	20,183,860	20,601,871	19,929,847	(672,024)
Federal sources	482,522	994,462	898,389	(96,073)
Private sources	1,745	4,015	4,014	(1)
Interdistrict and other sources	355,220	346,749	277,915	(68,834)
Total revenues	<u>24,049,961</u>	<u>24,986,287</u>	<u>23,892,342</u>	<u>(1,093,945)</u>
Expenditures				
Instruction:				
Basic programs	11,619,884	11,358,662	10,622,042	736,620
Added needs	3,257,674	3,449,803	3,578,959	(129,156)
Support services:				
Pupil	1,301,238	1,166,081	1,136,890	29,191
Instructional staff	687,740	884,075	756,471	127,604
General administrative	702,622	685,031	648,247	36,784
School administrative	1,867,589	1,903,863	1,825,415	78,448
Business services	315,500	312,322	307,010	5,312
Operations and maintenance	2,755,935	3,072,936	2,792,336	280,600
Transportation	1,072,377	1,325,927	1,048,976	276,951
Information services	334,546	471,170	486,975	(15,805)
Support other	800,293	699,935	666,256	33,679
Community services	219,327	280,951	263,752	17,199
Capital outlay	0	156,354	147,239	9,115
Total expenditures	<u>24,934,725</u>	<u>25,767,110</u>	<u>24,280,568</u>	<u>1,486,542</u>
Excess (deficiency) of revenues over expenditures	(884,764)	(780,823)	(388,226)	392,597
Other Financing Sources (Uses)				
Operating transfer in	65,000	65,000	97,699	32,699
Net change in fund balance	(819,764)	(715,823)	(290,527)	425,296
Fund balance - beginning of year	<u>3,685,678</u>	<u>3,685,678</u>	<u>3,685,678</u>	<u>0</u>
Fund balance - end of year	<u>\$ 2,865,914</u>	<u>\$ 2,969,855</u>	<u>\$ 3,395,151</u>	<u>\$ 425,296</u>

CORUNNA PUBLIC SCHOOLS
 Required Supplemental Information
 Budgetary Comparison Schedule - Food Service Fund
 For the Year Ended June 30, 2025

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Local sources	\$ 99,310	\$ 111,600	\$ 85,157	\$ (26,443)
State sources	381,985	413,667	336,313	(77,354)
Federal sources	1,442,811	1,637,277	1,569,597	(67,680)
Total revenues	<u>1,924,106</u>	<u>2,162,544</u>	<u>1,991,067</u>	<u>(171,477)</u>
<u>Expenditures</u>				
Food services	1,963,155	2,391,201	2,046,376	344,825
Excess (deficiency) of revenues over expenditures	<u>(39,049)</u>	<u>(228,657)</u>	<u>(55,309)</u>	<u>173,348</u>
<u>Other Financing Sources (Uses)</u>				
Transfer out	0	0	(97,699)	(97,699)
Net change in fund balance	(39,049)	(228,657)	(153,008)	75,649
Fund balance - beginning of year	1,052,655	1,052,655	1,052,655	0
Fund balance - end of year	<u>\$ 1,013,606</u>	<u>\$ 823,998</u>	<u>\$ 899,647</u>	<u>\$ 75,649</u>

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CORUNNA PUBLIC SCHOOLS
Required Supplemental Information
Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Reporting unit's proportion of net pension liability (%)	0.10449 %	0.10165 %	0.10174 %	0.10402 %	0.10480 %	0.10567 %	0.10629 %	0.10723 %	0.11088 %	0.11563 %
Reporting unit's proportionate share of net pension liability	\$25,581,355	\$32,900,822	\$38,262,058	\$24,626,158	\$35,999,490	\$34,995,765	\$31,954,097	\$27,788,149	\$27,662,650	\$28,243,596
Reporting unit's covered-employee payroll*	\$10,889,181	\$10,306,720	\$9,533,783	\$9,324,460	\$9,233,399	\$9,209,821	\$8,998,820	\$8,890,387	\$9,180,066	\$9,633,355
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	234.92451 %	319.21719 %	401.33133 %	264.10278 %	389.88340 %	379.98312 %	355.09208 %	312.56400 %	301.33389 %	293.18546 %
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	74.44000 %	65.91000 %	60.77000 %	72.60000 %	59.72000 %	60.31000 %	62.36000 %	64.21000 %	63.27000 %	63.17000 %

* The employer's covered payroll is defined by GASB 82, *Pension Issues - an amendment to GASB Statements No. 67, No. 68, and No. 73*, as payroll on which contributions to a pension plan are based. For non-university employers, covered payroll for both pension and OPEB represents payroll on which contributions to both plans are based.

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CORUNNA PUBLIC SCHOOLS
Required Supplemental Information
Schedule of the Reporting Unit's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Reporting Unit Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 4,485,951	\$ 4,330,817	\$ 4,639,129	\$ 3,439,823	\$ 3,106,910	\$ 2,877,662	\$ 2,812,852	\$ 2,683,307	\$ 2,732,974	\$ 2,230,727
Contributions in relation to statutorily required contributions*	<u>4,485,951</u>	<u>4,330,817</u>	<u>4,639,129</u>	<u>3,439,823</u>	<u>3,106,910</u>	<u>2,877,662</u>	<u>2,812,852</u>	<u>2,683,307</u>	<u>2,732,974</u>	<u>2,230,727</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reporting unit's covered-employee payroll**	\$11,201,653	\$10,778,594	\$10,096,633	\$9,473,601	\$9,215,526	\$9,204,372	\$9,172,209	\$8,952,529	\$8,979,018	\$9,633,355
Contributions as a percentage of covered-employee payroll	40.05 %	40.18 %	45.95 %	36.31 %	33.71 %	31.26 %	30.67 %	29.97 %	30.44 %	23.16 %

* Contributions in relation to statutorily required contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

** The employer's covered payroll is defined by GASB 82, *Pension Issues - an amendment to GASB Statements No. 67, No. 68, and No. 73*, as payroll on which contributions to a pension plan are based. For non-university employers, covered payroll for both pensions and OPEB represents payroll on which contributions to both plans are based.

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CORUNNA PUBLIC SCHOOLS
Required Supplemental Information
Schedule of the Reporting Unit's Proportionate Share of the Net OPEB (Asset) Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Reporting unit's proportion of net OPEB (asset) liability (%)	0.10427 %	0.10360 %	0.09865 %	0.10353 %	0.10428 %	0.10549 %	0.10578 %	0.10718 %
Reporting unit's proportionate share of net OPEB (asset) liability	\$ (4,488,206)	\$ (586,048)	\$ 2,089,513	\$ 1,580,319	\$ 5,586,658	\$ 7,571,741	\$ 8,408,179	\$ 9,490,876
Reporting unit's covered-employee payroll*	\$ 10,889,181	\$ 10,306,720	\$ 9,533,783	\$ 9,324,460	\$ 9,233,399	\$ 9,209,821	\$ 8,998,820	\$ 8,890,387
Reporting unit's proportionate share of net OPEB (asset) liability as a percentage of its covered-employee payroll	(41.21711)%	(5.68608)%	21.91693 %	16.94810 %	60.50489 %	82.21377 %	93.43646 %	106.75436 %
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)	143.08000 %	105.04000 %	83.09000 %	87.33000 %	59.44000 %	48.46000 %	42.95000 %	36.39000 %

* The employer's covered payroll is defined by GASB 85, *Omnibus 2017*, as payroll on which contributions to the OPEB plan are based. For non-university employers, covered payroll for both pension and OPEB represents payroll on which contributions to both plans are based.

With the implementation of GASB Statement No. 75 in 2018, the 10 year history will be provided prospectively until a full 10 year history is shown.

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CORUNNA PUBLIC SCHOOLS
Required Supplemental Information
Schedule of the Reporting Unit's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Reporting Unit Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 183,657	\$ 860,191	\$ 803,566	\$ 745,564	\$ 759,920	\$ 736,533	\$ 723,467	\$ 732,042
Contributions in relation to statutorily required contributions*	<u>183,657</u>	<u>860,191</u>	<u>803,566</u>	<u>745,564</u>	<u>759,920</u>	<u>736,533</u>	<u>723,467</u>	<u>732,042</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reporting unit's covered-employee payroll**	\$ 11,201,653	\$ 10,778,594	\$ 10,096,633	\$ 9,473,601	\$ 9,215,526	\$ 9,204,372	\$ 9,172,209	\$ 8,952,529
Contributions as a percentage of covered-employee payroll	1.64 %	7.98 %	7.96 %	7.87 %	8.25 %	8.00 %	7.89 %	8.18 %

* Contributions in relation to statutorily required contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

** The employer's covered payroll is defined by GASB 85, *Omnibus 2017*, as payroll on which contributions to the OPEB plan are based. For non-university employers, covered payroll for both pension and OPEB represents payroll on which contributions to both plans are based.

With the implementation of GASB Statement No. 75 in 2018, the 10 year history will be provided prospectively until a full 10 year history is shown.

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CORUNNA PUBLIC SCHOOLS
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

NOTE 1 - PENSION INFORMATION

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

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

- ◆ **2023** - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- ◆ **2022** - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by .80 percentage points.
- ◆ **2019** - The discount rate used in the September 3, 20218 actuarial valuation decreased by 0.25 percentage points.
- ◆ **2018** - The discount rate used in the September 3, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.
- ◆ **2017** - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

NOTE 2 - OPEB INFORMATION

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

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

- ◆ **2024** - The healthcare 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.

CORUNNA PUBLIC SCHOOLS
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

NOTE 2 - OPEB INFORMATION (CONTINUED)

- ◆ **2021** - The health care cost trend rate used in the September 30, 2022 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 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.

APPENDIX D
FORM OF LEGAL OPINION

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DRAFT LEGAL OPINION

Corunna Public Schools
County of Shiawassee
State of Michigan

We have acted as bond counsel in connection with the issuance by Corunna Public Schools, County of Shiawassee, State of Michigan (the "Issuer"), of its bonds in the aggregate principal amount of \$_____ designated 2026 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the "Bonds"). The Bonds are in fully registered form and issued without coupons, are dated _____, 2026, are of \$5,000 denomination or any integral multiple thereof, are subject to redemption prior to maturity at the option of the Issuer in the manner and at the times as set forth in the Bonds, mature on May 1 of the years shown below, and bear interest payable on May 1, 2027, and semiannually thereafter on November 1 and May 1 of each year in the amounts and at the rates as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
-------------	---------------	-------------	-------------	---------------	-------------

The Bonds maturing on May 1, 20__, are term Bonds subject to mandatory redemption in part, by lot, on the redemption dates and at the redemption price equal to the principal amount thereof as provided in the Bonds.

We have examined the documents which we deem authentic and pertinent to the validity of the Bonds, including the certified record evidencing the authorization of the Bonds by the electors and board of education of the Issuer, a copy of the approval of the Department of Treasury of the State of Michigan to issue the Bonds, and a specimen of the Bond certificates.

Based upon the foregoing, we are of the opinion that under existing law:

- (1) the Bonds have been lawfully authorized and issued and are enforceable obligations of the Issuer in accordance with their terms;
- (2) the Bonds are the general obligation of the Issuer for which its full faith, credit and resources have been irrevocably pledged;



Corunna Public Schools
County of Shiawassee
State of Michigan
_____, 2026
Page 2

(3) the Issuer has the power, and is obligated, to levy taxes on all taxable property now situated within the corporate boundaries of the Issuer, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Bonds;

(4) the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof; and

(5) the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds held by an “applicable corporation” as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), is included in annual “adjusted financial statement income” for purposes of calculating the alternative minimum tax imposed on an applicable corporation. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement of such rights may also be subject to the exercise of judicial discretion in appropriate cases.

THRUN LAW FIRM, P.C.

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APPENDIX E
FORM OF CONTINUING DISCLOSURE AGREEMENT

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**FORM OF
CONTINUING DISCLOSURE AGREEMENT**

§ _____

**CORUNNA PUBLIC SCHOOLS
COUNTY OF SHIAWASSEE
STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS, SERIES I
(GENERAL OBLIGATION - UNLIMITED TAX)**

This Continuing Disclosure Agreement (the “Agreement”) is executed and delivered by Corunna Public Schools, County of Shiawassee, State of Michigan (the “Issuer”), in connection with the issuance of its \$ _____ 2026 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the “Bonds”). The Bonds are being issued pursuant to resolutions adopted by the Board of Education of the Issuer on May 18, 2026 and _____, 2026 (together, the “Resolution”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Agreement is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with the Rule. The Issuer acknowledges that this Agreement does not address the scope of any application of Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act to the Annual Reports or notices of the Listed Events provided or required to be provided by the Issuer pursuant to this Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Agreement.

“Bondholder” means the registered owner of a Bond or any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

“Dissemination Agent” means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent’s successors and assigns.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access which provides continuing disclosure services for the receipt and public availability of continuing disclosure documents and related information required by Rule 15c2-12 promulgated by the SEC.

“Financial Obligation” shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned



debt obligation, or (c) a guarantee of (a) or (b) provided; however, that a “Financial Obligation” shall not include any municipal security for which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

“Official Statement” shall mean the final Official Statement for the Bonds dated _____, 2026.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Resolution” shall mean the resolutions duly adopted by the Issuer authorizing the issuance, sale and delivery of the Bonds.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of Michigan.

SECTION 3. Provision of Annual Reports.

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, on or prior to the end of the sixth month after the end of the fiscal year of the Issuer commencing with the fiscal year ending June 30, 20___, to EMMA an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Agreement. Currently, the Issuer’s fiscal year ends on June 30. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Agreement; provided, however, that if the audited financial statements of the Issuer are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the financial statements contained in the Official Statement shall be included in the Annual Report.

(b) The Annual Report shall be submitted to EMMA either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA in accordance with the submission process, document format and configuration requirements established by the MSRB. The Annual Report shall also include all related information required by MSRB to accurately identify: (i) the category of information being provided; (ii) the period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, Issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the Issuer; (v) the name and date of the document; and (vi) contact information for the Dissemination Agent or the Issuer’s submitter.

(c) If the Issuer is unable to provide to EMMA an Annual Report by the date required in subsection (a), the Issuer shall send a notice in a timely manner to the MSRB in substantially the form attached as Appendix A.

(d) If the Issuer's fiscal year changes, the Issuer shall send a notice of such change to the MSRB in substantially the form attached as Appendix B. If such change will result in the Issuer's fiscal year ending on a date later than the ending date prior to such change, the Issuer shall provide notice of such change to the MSRB on or prior to the deadline for filing the Annual Report in effect when the Issuer operated under its prior fiscal year. Such notice may be provided to the MSRB along with the Annual Report, provided that it is filed at or prior to the deadline described above.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) audited financial statements of the Issuer prepared pursuant to State laws, administrative rules and guidelines and pursuant to accounting and reporting policies conforming in all material respects to generally accepted accounting principles as applicable to governmental units as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time; and

(b) additional annual financial information and operating data as set forth in the Official Statement under "CONTINUING DISCLOSURE".

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which previously have been provided to each of the Repositories or filed with the SEC. If the document included by specific reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer covenants to provide, or cause to be provided, notice in a timely manner not in excess of ten business days of the occurrence of any of the following events with respect to the Bonds in accordance with the Rule:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) modifications to rights of security holders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;

- (10) release, substitution, or sale of property securing repayment of the securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer or other obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or other obligated person or the sale of all or substantially all of the assets of the Issuer or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or other obligated person, any of which affect security holders, if material;
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or other obligated person, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would constitute material information for the Bondholders, provided that any event other than those listed under Section 5(a)(2), (6), (7), (8), (10), (13), (14) or (15) above will always be deemed to be material. Events listed under Section 5(a)(6) and (8) above will always be deemed to be material except with respect to that portion of those events which must be determined to be material.

(c) The Issuer shall promptly cause a notice of the occurrence of a Listed Event, determined to be material in accordance with the Rule, to be electronically filed with EMMA, together with a significant event notice cover sheet substantially in the form attached as Appendix C. In connection with providing a notice of the occurrence of a Listed Event described in Section 5(a)(9) above, the Issuer shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) The Issuer acknowledges that the “rating changes” referred to above in Section 5(a)(11) of this Agreement may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Issuer is liable.

(e) The Issuer acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 6. Termination of Reporting Obligation.

(a) The Issuer's obligations under this Agreement shall terminate upon the legal defeasance of the Resolution or the prior redemption or payment in full of all of the Bonds.

(b) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (i) receives an opinion of nationally recognized bond counsel, addressed to the Issuer, to the effect that those portions of the Rule, which require such provisions of this Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB.

SECTION 7. Dissemination Agent. The Issuer, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may be amended, and any provision of this Agreement may be waived to the effect that:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Issuer, or the types of business in which the Issuer is engaged;

(b) this Agreement as so amended or taking into account such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, in the opinion of independent legal counsel; and

(c) such amendment or waiver does not materially impair the interests of the Bondholders, in the opinion of independent legal counsel.

If the amendment or waiver results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Agreement, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. If the amendment or waiver involves a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared based on the new accounting principles and those prepared based on the former accounting principles. The comparison should include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles should be sent by the Issuer to the MSRB. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution or the Bonds, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with the Agreement shall be an action to compel performance.

SECTION 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the Bondholders and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

CORUNNA PUBLIC SCHOOLS
COUNTY OF SHIAWASSEE
STATE OF MICHIGAN

By: _____
Its: Superintendent

Dated: _____, 2026

APPENDIX A

NOTICE TO THE MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Corunna Public Schools, Shiawassee County, Michigan

Name of Bond Issue: 2026 School Building and Site Bonds, Series I (General
Obligation - Unlimited Tax)

Date of Bonds: _____, 2026

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Continuing Disclosure Agreement with respect to the Bonds. The Issuer anticipates that the Annual Report will be filed by _____.

CORUNNA PUBLIC SCHOOLS
COUNTY OF SHIAWASSEE
STATE OF MICHIGAN

By: _____
Its: Superintendent

Dated: _____



APPENDIX B

NOTICE TO THE MSRB OF CHANGE IN ISSUER'S FISCAL YEAR

Name of Issuer: Corunna Public Schools, Shiawassee County, Michigan

Name of Bond Issue: 2026 School Building and Site Bonds, Series I (General
Obligation - Unlimited Tax)

Date of Bonds: _____, 2026

NOTICE IS HEREBY GIVEN that the Issuer's fiscal year has changed. Previously, the
Issuer's fiscal year ended on _____. It now ends on _____.

CORUNNA PUBLIC SCHOOLS
COUNTY OF SHIAWASSEE
STATE OF MICHIGAN

By: _____
Its: Superintendent

Dated: _____



APPENDIX C

SIGNIFICANT EVENT NOTICE COVER SHEET

This cover sheet and significant event notice should be provided in an electronic format to the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or other Obligated Person's Name: _____

Issuer's Six-Digit CUSIP Number(s): _____

or Nine-Digit CUSIP Number(s) to which this significant event notice relates: _____

Number of pages of attached significant event notice: _____

Description of Significant Events Notice (Check One):

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders
8. Bond calls
9. Tender offers
10. Defeasances
11. Release, substitution, or sale of property securing repayment of the securities
12. Rating changes
13. Bankruptcy, insolvency, receivership or similar event of the Issuer or other obligated person
14. The consummation of a merger, consolidation, or acquisition involving the Issuer or other obligated person or the sale of all or substantially all of the assets of the Issuer or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms
15. Appointment of a successor or additional trustee or the change of name of a trustee
16. Incurrence of a financial obligation of the Issuer or other obligated person
17. Agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation that affect security holders
18. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer or other obligated person that reflect financial difficulties
19. Other significant event notice (specify) _____

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: (_____) _____

The MSRB Gateway is www.msrb.org or through the EMMA portal at emma.msrb.org/submission/Submission_Portal.aspx. Contact the MSRB at (703) 797-6600 with questions regarding this form or the dissemination of this notice. The cover sheet and notice may also be faxed to the MAC at (313) 963-0943.



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