WHITEFORD AGRICULTURAL SCHOOL DISTRICT
IN THE COUNTIES OF MONROE AND LENAWEE,
MICHIGAN
Ottawa Lake, Michigan

ANNUAL FINANCIAL REPORT
June 30, 2026

WHITEFORD AGRICULTURAL SCHOOL DISTRICT
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

School Board Members
June 30, 2026

Name	Office	Date Term Expires
Shane Hillard	President	12/31/2028
David Dixon	Vice-President	12/31/2026
Jeff Bunge	Secretary	12/31/2026
Janelle Hauser	Treasurer	12/31/2026
Brandon Iott	Trustee	12/31/2028
Jason Vida	Trustee	12/31/2028
Thomas Wenzel	Trustee	12/31/2028

WHITEFORD AGRICULTURAL SCHOOL DISTRICT
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Table of Contents
June 30, 2026

Independent Auditor's Report 1-3

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 4-5

Management's Discussion and Analysis 6-15

Basic Financial Statements:

District-wide Financial Statements:
Statement of Net Position 16
Statement of Activities 17

Fund Financial Statements:
Governmental Funds:
Balance Sheet 18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 19
Statement of Revenues, Expenditures and Changes in Fund Balances 20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 21

Notes to Financial Statements 22-53

Required Supplemental Information:

General Fund:
Budgetary Comparison Schedule 54

Schedule of School District's Proportionate Share of Net Pension Liability 55

Schedule of School District's Pension Contributions 56

Schedule of School District's Proportionate Share of Net OPEB Liability 57

Schedule of School District's OPEB Contributions 58

Notes to Required Supplemental Information 59-63

Other Supplemental Information:

General Fund:
Schedule of Revenues - Budget and Actual 64
Schedule of Expenditures - Budget and Actual 65-68

Other Supplemental Information:

Capital Projects Fund:
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual 69

Nonmajor Governmental Funds:
Combining Balance Sheet 70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 71

Food Service Fund:
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual 72

Student and School Activity Fund:
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual 73

School Bond Debt Retirement Fund:
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual 74

Summary of 2025 Tax Levy 75

Schedule of Technology Enhancement Millage - Budget and Actual 76

Schedule of Athletics - Budget and Actual 77

Federal Financial Assistance Programs:

Schedule of Expenditures of Federal Awards 78-81
Notes to Schedule of Expenditures of Federal Awards 82-83

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Independent Auditor's Report

Board of Education
Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan
Ottawa Lake, Michigan 49267

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Whiteford Agricultural School District as of June 30, 2026, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 Whiteford Agricultural 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.

Emphasis of Matter

As described in Note 18 to the financial statements, the School District adopted the provisions of Governmental Accounting Standards Board Statements No. 103, *Financial Reporting Model Improvements* and No. 104, *Disclosure of Certain Capital Assets.* 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Whiteford Agricultural 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 rise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of the internal controls 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 Whiteford Agricultural School District's internal control. Accordingly, no such opinion is expressed.

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Whiteford Agricultural School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

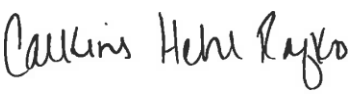
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, required pension and other postemployment benefit (OPEB) schedules, and notes to required supplementary information, as identified in the table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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Whiteford Agricultural School District's basic financial statements. The other supplementary information, as identified in the table of contents, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the 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 29, 2026, on our consideration of the Whiteford Agricultural 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 Whiteford Agricultural 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 Whiteford Agricultural School District's internal control over financial reporting and compliance.



Monroe, Michigan
October 29, 2026

CALKINS HEHL RAFKO
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards*

Board of Education
Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan
Ottawa Lake, Michigan 49267

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Whiteford Agricultural School District's basic financial statements, and have issued our report thereon dated October 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Monroe, Michigan
October 29, 2026

This section of Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan (Whiteford Schools or the School District) annual financial report presents our discussion and analysis of the School District's financial performance during the fiscal year ended June 30, 2026. Please read it in conjunction with the School District's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, the Special Revenue Funds, the Debt Service Fund, and the Capital Projects Funds.

If you have questions about this report or require further information, contact the Business Office at 6655 Consear Road, Ottawa Lake, MI, 49267.

Overview of the Financial Statements

The School District's financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information (RSI) in additional to the basic financial statements.

- *Government wide financial statements* are designed to provide readers with a broad overview of the School District's finances, using accounting methods similar to those used by private sector businesses. The *statement of net position* presents information on all of the School District's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. The *statement of activities* presents information on how net position changed during the year, with revenues and expenses reported regardless of the timing of related cash flows. Both statements report only governmental activities, as the School District does not conduct business-type activities.

- *Fund Financial Statements* are groupings of related accounts used to maintain control over resources segregated for specific purposes. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the School District's funds are governmental funds, which focus on near-term inflows and outflows of spendable resources, and are reported using the modified accrual basis of accounting. Because governmental fund information is presented on a different basis than the government-wide statements, a reconciliation is provided immediately following each governmental fund statement.

- *Notes to the financial statements* provide additional detail necessary for a full understanding of the information in the government-wide and fund financial statements. The information in the notes is as important to understanding the School District's finances as the information in the financial statements. The School District uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements.

- *Required Supplemental Information* follows the notes to the financial statements. It includes budgetary comparison schedules for the General Fund and each major special revenue fund with a legally adopted annual budget, along with notes to the RSI, and schedules related to the School District's pension and other post-employment benefit (OPEB) plans.

Types of Information in the Financial Statements

All of the School District's financial statements, except for the governmental fund financial statements, use the *economic resources measurement focus and accrual basis of accounting.* In other words, they comprehensively report all types of financial statement elements:

- *Assets*—resources the School District controls, from short-term assets like cash to long-term assets like capital assets and amounts held for employees' net other postemployment benefits.
- *Liabilities*—amounts the School District owes, from short-term liabilities such as accounts and salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions.
- *Deferred outflows of resources* and *deferred inflows of resources*—flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- *Revenues and expenses*—inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on the purchases of capital assets.

More detail about the measurement focuses and bases of accounting can be found in Note 2 to financial statements, the summary of significant accounting policies.

Analysis of the School District's Finances

Table 1
Condensed Statement of Net Position

	June 30, 2026	June 30, 2025	$ Change	% Change
Current and other assets	$9,920,673	$8,974,323	$946,350	10.5%
Capital assets, net	21,975,711	21,596,064	379,647	1.8%
Total Assets	31,896,384	30,570,387	1,325,997	4.3%
Deferred Outflows of Resources	3,494,448	4,437,070	(942,622)	(21.2)%
Current and other liabilities	2,596,645	2,187,513	409,132	17.6%
Long-term liabilities	23,749,549	26,783,612	(3,034,063)	(11.5)%
Total Liabilities	26,346,194	28,971,125	(2,624,931)	(9.3)%
Deferred Inflows of Resources	5,802,203	6,124,741	(322,538)	(5.3)%
Net Position				
Investment in capital assets	7,607,993	6,530,346	1,077,647	16.5%
Restricted for technology enhancement	50,013	163,086	(113,073)	(69.3)%
Restricted for debt service	653,126	515,926	137,200	26.6%
Restricted for food service	394,369	319,231	75,138	23.5%
Restricted for capital outlay	18,597	452,785	(434,188)	(95.9)%
Restricted for other post-employment benefit	2,668,617	1,925,321	743,296	38.6%
Unrestricted (deficit)	(8,150,280)	(9,995,104)	1,844,824	18.5%
Total Net Position	$3,242,435	($88,409)	3,330,844	3767.5%

Table 1 shows that as of June 30, 2026, the School District's total net position—assets and deferred outflows minus liabilities and deferred inflows—was a $3,242,435 an increase of $3.3 million or 3,767.5 percent compared with 2025. The unrestricted deficit net position decreased by approximately $1.8 million, or 18.5%. The following sections of MD&A analyze the finances of the governmental activities and business-type activities separately.

Governmental activities

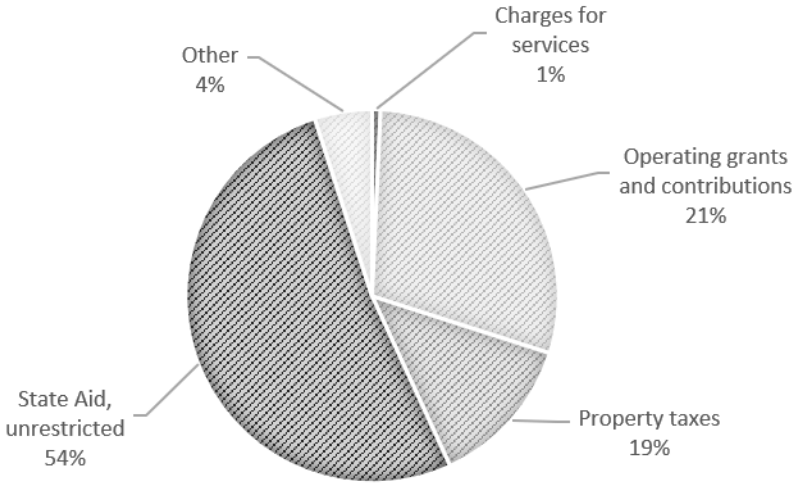
Table 2 shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position. The total increase in net position of the School District's governmental activities was approximately $3.3 million. Various events contributed to this increase in net position; however, the two primary factors affecting the change in net position are as follows:

(1) Changes to the net pension and OPEB liabilities and their respective deferred outflows and inflows of resources totaling approximately $2.0 million.
(2) Increase to the State Foundation Allowance of approximately $379,000
(3) Lower amounts of instruction program expenses in the General Fund and improvements in the Capital Projects Fund.

Table 2
Condensed Changes in School District's Net Position

	June 30, 2026	June 30, 2025	$ Change	% Change
Revenues				
Program revenues:				
Charges for services	$151,847	$146,217	$5,630	3.9%
Operating grants and contributions	2,854,526	2,931,859	(77,333)	(2.6)%
	3,006,373	3,078,076	(71,703)	(2.3)%
General revenues:				
Property taxes	2,595,503	2,798,571	(203,068)	(7.3)%
State foundation allowance	7,266,042	6,886,403	379,639	5.5%
Other general revenues	549,491	598,432	(48,941)	(8.3)%
	10,411,036	10,283,406	127,630	1.2%
Total Revenues	13,417,409	13,361,482	55,927	0.4%
Functions/Program Expenses				
Instruction	4,954,968	5,539,892	(584,924)	(10.6)%
Support services	3,671,452	3,981,278	(309,826)	(7.8)%
Food service	430,683	437,864	(7,181)	(1.6)%
Interest on long-term debt	494,992	527,845	(32,853)	(6.2)%
Depreciation and amortization	534,470	490,182	44,288	9.0%
Total Expenses	10,086,565	10,977,061	(890,496)	(8.1)%
Increase (Decrease) in Net Position	3,330,844	2,384,421	946,423	39.7%
Beginning Net Position	(88,409)	(2,472,830)	2,384,421	96.4%
Ending Net Positition	$3,242,435	($88,409)	3,330,844	3767.5%

Figure 3. Governmental Activities Revenues* by Source



Decline of property tax revenues

Property tax revenues declined primarily due to a reduction in the debt millage rate. The millage rate levied for fiscal year 2025 (tax year 2024) was 4.93 mills, compared to 3.75 mills for fiscal year 2026 (tax year 2025). As the School District's outstanding debt obligations are paid down, the millage rate required to support debt service decreases accordingly, resulting in lower property tax collections.

Additionally, the District experienced a decrease in commercial taxable value from the 2024 tax year to the 2025 tax year. Commercial taxable value decreased from $6,044,421 to $5,602,128, a reduction of $442,293, or approximately 7.3%. This decrease reflects changes in the School District's commercial property tax base. Although the specific factors contributing to the decline have not been identified, changes in business personal property assessments, applicable tax exemptions, and other assessment adjustments may have contributed to the reduction.

State Aid Funding

The largest single source of governmental activities revenue for the School District is the unrestricted State Aid foundation which accounts for 54% of the overall governmental activities' revenue. State foundation revenue increased from $6,886,403 in fiscal year 2025 to $7,266,042 in fiscal year 2026, representing an increase of $379,639, or approximately 5.5%. The increase was primarily attributable to an increase in both the School District's blended student enrollment and the per-pupil foundation allowance.

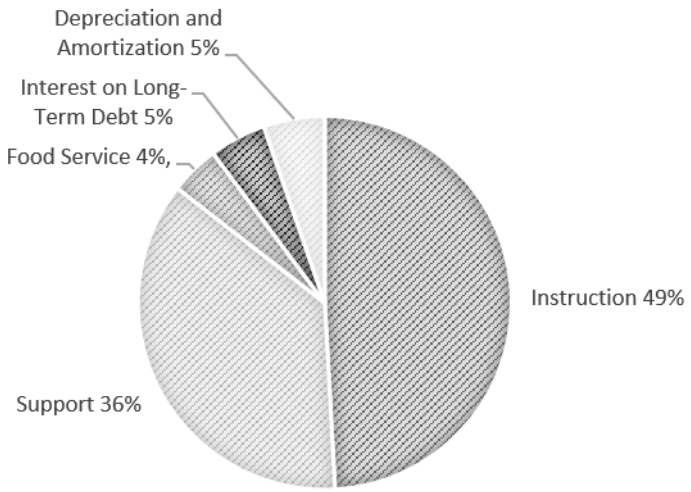
The School District's blended student count increased from 829.59 students in fiscal year 2025 to 837.69 students in fiscal year 2026. Additionally, the per-pupil foundation allowance increased from $9,608 in fiscal year 2025 to $10,050 in fiscal year 2026. The combined effect of increased enrollment and the higher per-pupil foundation allowance resulted in increased state foundation revenue for fiscal year 2026.

Operating Grants and Contributions

Operating grants and contributions decreased from $2,931,859 in fiscal year 2025 to $2,854,526 in fiscal year 2026, representing a decrease of $77,333, or approximately 2.6%.

The decrease was primarily attributable to the School District's continued transition away from federal funding provided through COVID-19 pandemic relief programs. The majority of the remaining pandemic-related grant funding was expended during the prior fiscal year, resulting in lower grant revenue recognized in fiscal year 2026. Although the District continues to receive other discretionary grant funding to support various educational programs and operational needs, these funding sources have not replaced the level of funding previously available through the pandemic-related programs.

Figure 4. Governmental Activities Expenses* by Function



Charges for services

Charges for services increased from $146,217 in fiscal year 2025 to $151,847 in fiscal year 2026, representing an increase of $5,630, or approximately 3.9%. The increase reflects modest growth in revenues generated from fees and charges associated with various District programs and services provided to students and other participants.

Other changes in net position

Total revenues of the School District's governmental activities exceeded total expenses in fiscal year 2026 by $3,330,844, compared to an increase in net position of $2,384,421 in fiscal year 2025. This represents an improvement of $946,423 over the prior fiscal year.

The larger increase in net position was primarily attributable to lower instruction program expenditures in the General Fund and improvements in the Capital Projects Fund during fiscal year 2026 compared to the prior year. Total revenues remained relatively consistent, increasing approximately 0.4% from the previous fiscal year. While increases in state foundation revenue helped offset declines in property tax revenues and operating grants and contributions, the overall improvement in the School District's financial position was largely driven by the relationship between revenues and expenses.

Governmental funds

The School District reports two major funds individually in the governmental fund financial statements. Those funds are the General Fund and the Capital Projects Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the School District's current financial health are more apparent in the fund financial statements than in the government-wide financial statements. The major funds are shown in Table 5 and are discussed in more detail below.

Table 5

Revenues, Expenditures, and Changes in Fund Balances

	General Fund		Capital Projects Fund	
	2026	**2025**	**2026**	**2025**
Total Revenues	$11,394,300	$11,023,915	$11,070	$70,137
Total Expenditures	11,400,049	10,954,648	445,258	1,660,169
Excess (deficiency) of revenues over expenditures	(5,749)	69,267	(434,188)	(1,590,032)
Other Financing Sources (Uses)				
Transfers in	34,252	0	0	5,000
Transfers out	0	(5,000)	0	0
Total Other Financing Sources (Uses)	34,252	(5,000)	0	5,000
Net Change in Fund Balances	28,503	64,267	(434,188)	(1,585,032)
Fund Balances - Beginning of year	3,981,605	3,917,338	452,785	2,037,817
Fund Balances - End of year	$4,010,108	$3,981,605	$18,597	$452,785

Fund balance represents the financial standing of a governmental fund as of the end of the fiscal year from a short-term perspective.

General Fund

The General Fund's fund balance increased by $28,503 during fiscal year 2026, compared to an increase of $64,267 in fiscal year 2025. The decrease in net change in Fund Balance is attributable to higher operation and maintenance expenditures along with the continuous rise of expenditure costs for personnel and materials.

General Fund revenues increased by $370,385, or approximately 3.4%, compared to the prior fiscal year. However, expenditures also increased by $445,401, or approximately 4.1%, resulting in expenditures exceeding revenues by $5,749. An additional $34,252 in other financing sources from interfund transfers resulted in an overall increase in fund balance of $28,503.

Despite increased expenditures during the year, the School District maintained a relatively stable General Fund balance, ending the fiscal year with approximately $4.0 million available to support ongoing operations and provide financial stability.

Capital Projects Fund

The fund balance of the School District's Capital Projects Fund decreased approximately 96% during fiscal year 2026, declining from $452,785 at the beginning of the year to $18,597 at June 30, 2026. This decrease is primarily attributable to the continued use of bond proceeds to fund ongoing capital improvement projects, as well as a reduction in investment earnings resulting from lower cash balances as bond proceeds are expended.

Total revenues decreased from $70,137 in fiscal year 2025 to $11,070 in fiscal year 2026, primarily reflecting reduced interest income. Capital project expenditures totaled $445,258 during fiscal year 2026, compared to $1,660,169 in the prior year. Although expenditures decreased significantly from the previous year, they continued to exceed available revenues, resulting in a decrease in fund balance of $434,188 during the fiscal year.

As the School District continues to utilize the remaining bond proceeds to complete planned capital improvement projects, the Capital Projects Fund balance is expected to continue to decline as the available resources are expended.

Significant capital asset and long-term financing activity

The discussion thus far has focused on certain significant financial transactions and events occurring during fiscal year 2026. With respect to capital assets, the net carrying value of the School District's capital assets (original cost less accumulated depreciation) increased approximately $911,000 during the fiscal year. This relatively modest net change does not fully reflect the substantial capital investment activity undertaken by the School District during the year.

Significant capital asset additions during fiscal year 2026 included continued improvements associated with the School District's bond-funded projects, including a newly paved parking lot, track and concession pathway, and sports court located off the middle school gym, totaling $263,476. Additional athletic facility improvements included softball dugouts and field improvements of $92,884, football helmets of $8,654, and a new baseball scoreboard of $26,500.

The School District also made significant investments in technology and security, including $381,215 in technology equipment. These purchases included new network infrastructure, replacement laptops for students and staff, and replacement desktop computers and monitors for the computer labs. Additional improvements included an entrance door security system and cameras totaling $28,074 and a lead filtration system for water fountains and faucets throughout the School District totaling $17,805.

Other capital asset additions included classroom and office furniture totaling $92,865. During fiscal year 2026, the School District also disposed of a café merchandiser that was no longer in service.

These investments reflect the School District's continued commitment to maintaining and improving its facilities, enhancing school security, and providing students and staff with updated technology and learning environments.

Budget Reductions

During the spring of 2026, the School District evaluated staffing positions and major expenditures in preparation for the 2026-2027 fiscal year budget. Based on anticipated funding changes and uncertainty surrounding certain revenue sources, the School District's initial General Fund budget reflected an estimated reduction in revenues of approximately $496,000. This reduction included approximately $125,000 in E-Rate technology funding, $194,000 in technology millage carryover funds, and various discretionary state grant revenues for which continued funding into fiscal year 2027 had not been confirmed.

Despite the anticipated decline in revenues, the School District's initial General Fund expenditure budget remained relatively consistent with the prior year, reflecting a modest decrease of approximately $16,000. The School District maintained its existing expenditure commitments while evaluating staffing and other major costs to align spending with anticipated available resources.

The School District's initial budget was developed prior to the finalization of the State of Michigan's 2026-2027 School Aid Fund budget. Accordingly, revenue and expenditure projections remained subject to change pending final state budget appropriations and confirmation of continued grant funding. The School District will continue to monitor available funding and make necessary budgetary adjustments as additional information becomes available.

Enrollment

While many Michigan school districts continue to experience declining student enrollment, the School District has historically experienced modest year-over-year increases in enrollment. The School District's initial 2026-2027 budget was developed using the prior fall's student enrollment count, with an additional two students projected, resulting in a budgeted enrollment of 840 students.

The School District continues to monitor enrollment trends throughout the school year, as changes in student population directly impact state foundation revenue, staffing needs, and the allocation of educational resources. Continued enrollment growth, even at modest levels, is an important consideration in the School District's ongoing budget planning and financial forecasting.

Adoption of the State budget

At the time the initial 2026-2027 budget was adopted in June 2026, the State of Michigan had not yet finalized its 2026-2027 School Aid Fund budget. Because the School District's financial outlook is significantly influenced by state funding decisions, certain assumptions were necessary to develop a responsible and conservative spending plan.

In preparing the initial budget, the School District included a projected $250 increase in the per-pupil foundation allowance, consistent with the Governor's proposed budget. Other state categorical funding sources were held at prior-year levels for programs the School District anticipated would continue, with no additional increases assumed. Funding for discretionary grants and other programs with uncertain continuation into the next fiscal year was excluded from the initial budget.

In early July 2026, the State of Michigan approved its 2026-2027 School Aid Fund budget, which included the anticipated $250 increase in the per-pupil foundation allowance. The approved budget also provided increases to certain state categorical funding sources and introduced new competitive grant opportunities that may provide additional financial support to the School District.

The final state budget provided a more favorable funding outlook than the conservative assumptions used in the School District's initial budget. The School District will continue to evaluate available funding opportunities and monitor state appropriations throughout the fiscal year, making budget adjustments as appropriate to reflect changes in anticipated revenues and available resources.

BASIC FINANCIAL STATEMENTS

DISTRICT - WIDE FINANCIAL STATEMENTS

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Statement of Net Position
June 30, 2026

	Governmental Activities
Assets	
Cash and cash equivalents	$5,503,482
Accounts/taxes receivable	8,300
Due from other governmental units	1,718,251
Deposit	5,050
Inventories	8,126
Prepaid expenses	8,847
Net OPEB asset	2,668,617
Capital assets, net	21,975,711
Total Assets	31,896,384
Deferred Outflows of Resources	
Deferred amount of pension expense	2,897,499
Deferred amount of OPEB expense	596,949
Total Deferred Outflows of Resources	3,494,448
Liabilities	
Accounts payable	528,133
Salaries payable	584,757
Other liabilities	689,209
Accrued interest payable	66,842
Due to other governmental units	30,468
Unearned revenue	48,048
Long-term liabilities:	
Net pension liability	9,073,782
Long-term debt - due within one year	540,000
Long-term debt - due in more than one year	13,882,237
Unamortized premium on bond issuance	793,530
Lease commitments - due within one year	109,188
Total Liabilities	26,346,194
Deferred Inflows of Resources	
Deferred amount of net pension liability	2,750,718
Deferred amount of State aid funding for pension	735,579
Deferred amount of net OPEB liability	2,315,906
Total Deferred Inflows of Resources	5,802,203
Net Position	
Net investment in capital assets	7,607,993
Restricted for technology enhancement	50,013
Restricted for debt service	653,126
Restricted for food service	394,369
Restricted for capital outlay	18,597
Restricted for other post-employment benefit	2,668,617
Unrestricted (deficit)	(8,150,280)
Total Net Position	$3,242,435

See accompanying notes to the basic financial statements

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Statement of Activities
Year Ended June 30, 2026

		Program Revenues		Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Primary government -				
Governmental activities:				
Instruction	$4,954,968	$11,981	$1,656,136	($3,286,851)
Support services	3,671,452	103,414	677,953	(2,890,085)
Food services	430,683	36,452	520,437	126,206
Interest on long-term debt	494,992	0	0	(494,992)
Depreciation and amortization (Unallocated)	534,470	0	0	(534,470)
Total Governmental Activities	$10,086,565	$151,847	$2,854,526	(7,080,192)
General Revenues:				
Taxes:				
Property taxes, levied for general operations				1,148,898
Property taxes, levied for technology				330,582
Property taxes, levied for debt retirement				1,116,023
State of Michigan aid, unrestricted				7,266,042
Interest and investment earnings				61,455
Other				488,036
Total General Revenues				10,411,036
Change in Net Position				3,330,844
Net Position - Beginning of year				(88,409)
Net Position - End of year				$3,242,435

See accompanying notes to the basic financial statements

FUND FINANCIAL STATEMENTS

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Governmental Funds
Balance Sheet
June 30, 2026

	General	Capital Projects Fund Capital Projects	Other Nonmajor Governmental Funds	Totals
Assets				
Cash and cash equivalents	$4,058,523	$284,015	$1,160,944	$5,503,482
Accounts/taxes receivable	6,785	0	1,515	8,300
Due from other governmental units	1,668,822	0	49,429	1,718,251
Due from other funds	234,590	0	357,426	592,016
Deposit	5,050	0	0	5,050
Inventory	0	0	8,126	8,126
Prepaid expenditures	8,243	0	604	8,847
Total Assets	$5,982,013	$284,015	$1,578,044	$7,844,072
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$267,570	$235,431	$25,132	$528,133
Salaries payable	584,757	0	0	584,757
Other liabilities	689,196	0	13	689,209
Unearned revenue	42,711	0	5,337	48,048
Due to other governmental units	30,468	0	0	30,468
Due to other funds	357,203	29,987	204,826	592,016
Total Liabilities	1,971,905	265,418	235,308	2,472,631
Fund Balances				
Nonspendable:				
Prepaid expenditures	8,243	0	604	8,847
Inventory	0	0	8,126	8,126
Restricted for:				
Technology enhancement	0	0	0	0
Food service	0	0	385,639	385,639
2015 School bond debt retirement	0	0	719,968	719,968
Capital outlay	0	18,597	0	18,597
Committed to:				
Special projects	1,452	0	0	1,452
Student and school activity	0	0	228,399	228,399
Unassigned	4,000,413	0	0	4,000,413
Total Fund Balances	4,010,108	18,597	1,342,736	5,371,441
Total Liabilities and Fund Balances	$5,982,013	$284,015	$1,578,044	$7,844,072

See accompanying notes to the basic financial statements

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Year Ended June 30, 2026

Total Fund Balances - Governmental Funds		$5,371,441
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	$29,825,513	
Accumulated depreciation and amortization	(7,849,802)	
		21,975,711
Deferred outflows of resources from subsequent pension expense from measurement date		2,897,499
Deferred outflows of resources from subsequent OPEB expense from measurement date		596,949
Deferred inflows of resources resulting from net pension liability		(2,750,718)
Deferred inflows of resources resulting from State school aid for pension		(735,579)
Deferred inflows of resources resulting from net OPEB liability		(2,315,906)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability	(9,073,782)	
Net OPEB asset	2,668,617	
Bonds payable plus bond premiums	(14,258,530)	
Lease commitments	(109,188)	
Compensated absences	(957,237)	
Accrued interest	(66,842)	
		(21,796,962)
Total Net Position - Governmental Activities		$3,242,435

See accompanying notes to the basic financial statements

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2026

	General	Capital Projects Fund Capital Projects	Other Nonmajor Governmental Funds	Totals
Revenues				
Local sources	$1,471,421	$11,070	$1,419,687	$2,902,178
State sources	9,194,202	0	350,876	9,545,078
Federal sources	110,672	0	181,726	292,398
Interdistrict and other sources	618,005	0	0	618,005
Total Revenues	11,394,300	11,070	1,952,289	13,357,659
Expenditures				
Instruction	6,857,708	0	0	6,857,708
Support services	3,893,905	0	715,918	4,609,823
Capital outlay	0	445,258	0	445,258
Facilities acquisition	93,719	0	0	93,719
Debt service	137,665	0	999,010	1,136,675
Athletics	417,052	0	0	417,052
Total Expenditures	11,400,049	445,258	1,714,928	13,560,235
Excess (Deficiency) of Revenues Over Expenditures	(5,749)	(434,188)	237,361	(202,576)
Other Financing Sources (Uses)				
Operating transfers in	34,252	0	0	34,252
Operating transfers out	0	0	(34,252)	(34,252)
Total Other Financing Sources (Uses)	34,252	0	(34,252)	0
Net Change in Fund Balances	28,503	(434,188)	203,109	(202,576)
Fund Balances - Beginning of year	3,981,605	452,785	1,139,627	5,574,017
Fund Balances - End of year	$4,010,108	$18,597	$1,342,736	$5,371,441

See accompanying notes to the basic financial statements

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2026

Total Net Change in Fund Balances - Governmental Funds		($202,576)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, these costs are allocated over their estimated useful lives as depreciation:		
Depreciation/amortization expense	($534,470)	
Capital outlay	927,152	
		392,682
Repayment of bond principal and lease commitments are expenditures in the governmental funds, while the repayment reduces long-term liabilities in the statement of net position.		642,253
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amout recorded on the governmental funds equals actual pension contributions.		
Net change in pension liability		1,911,745
Net change in the deferred inflow of resources related to the net pension liability		70,201
Net change between actual pension contributions and the cost of benefits earned net of employer contributions		(848,045)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows of resources related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.		
Net change in OPEB liability		743,296
Net change in the deferred inflows of resources related to the net OPEB liability		252,337
Net change between actual OPEB contributions and the cost of benefits earned, net of employer contributions		(94,577)
Governmental funds report the advanced amount on refunding, and the bond premium when debt is first issued, but these costs increase long-term liabilities in the statement of net position and these amounts are amortized over the life of the bonds		55,747
Gain (loss) from the sale of assets that are still being depreciated as a capital asset in the statement of activities is reported in the governmental funds, but not in the statement of activities.		(13,035)
Accrued interest is recorded in the statement of activities when incurred, it is not reported in the governmental funds until paid		3,433
Net changes in the liability for compensated absences are reported as expenditures in governmental funds		417,383
Change in Net Position of Governmental Activities		$3,330,844

See accompanying notes to the basic financial statements

Note 1 Description of the School District and Reporting Entity

The School District operates under a locally elected seven-member Board form of government and provides educational and supportive services as mandated by the State of Michigan and/or federal agencies. This Board of Education controls the School District's instructional and support facilities.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan (Whiteford Schools), this includes general operations, athletics, food service, debt, sinking, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt, or the levying of taxes. The School District has no component units.

Note 2 Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the School District's accounting policies.

Basis of Presentation

A. 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. As a general rule, the effect of interfund activity has been eliminated from the district-wide statements. All of the School District's district-wide activities are considered to be governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, and other items not properly included among program revenues.

Individual major governmental funds are reported as separate columns in the fund financial statements.

Note 2 Summary of Significant Accounting Policies (Continued)
Basis of Presentation (Concluded)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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.

Fund Financial 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 School District.

The School District reports the following major governmental funds:

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

The School District reports the following nonmajor governmental funds:

The Food Service Fund, the Student and School Activity Fund, the School Bond Debt Retirement Fund, and the Capital Projects Fund are the School District's nonmajor governmental funds. These funds are used to account for specific revenue sources that are restricted for a particular purpose.

Economic Dependency – The School District received approximately 81% of the General Fund revenue from the State of Michigan. Due to the significance of this revenue source to the School District, the School District is considered economically dependent.

Note 2 Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

Deposits and Investments (Concluded)

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Additionally, the School District's external investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice and penalty.

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. Taxes are considered delinquent February 15 of the following year. A portion of property taxes assessed are received by the School District from the State of Michigan in the form of a Foundation Allowance. The Foundation Allowance represents the difference between an amount guaranteed by the state and the per pupil tax revenue generated from an 18 mill levy (subject to Headlee rollback) on all non-homestead property. To meet the district per pupil guarantee, the state levies 6 mills on all taxable property on a statewide basis.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond June 30, 2026, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory - Inventories are valued at lower of cost or net realizable value, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. United States Department of Agriculture commodities inventory received by the Food Service Fund are recorded as expenditures when received.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported on the fund financial statements.

Note 2 Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not record infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land improvement	20 years
Buildings and building improvements	50 years
Machinery and equipment	5-20 years
Vehicles	8 years

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/due from." These amounts are eliminated in the governmental activities column of the statement of net position.

Compensated Absences - Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's employment contracts.

The entire compensated absence liability is reported on the district-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "other liabilities" in the fund from which employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements.

Note 2 Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

Accrued Liabilities and Long-Term Obligations (Continued)

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans are recognized as an expenditure on the governmental fund financial statements when due.

Unavailable/Unearned Revenue - Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned.

Leases – The School District is a lessee for school buses. The School District recognizes a lease liability and an intangible right-to-use lease asset in the governmental activities column in the district-wide financial statements.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Non-spendable, Restricted, Committed, Assigned, and Unassigned – The fund balance is categorized as non-spendable, restricted, committed, assigned, or unassigned based on the relative strength of the spending constraints. The School Board has the authority to place funds under the committed category. The Superintendent or his/her designee has the authority to place funds under the assigned category. Restricted resources should be used first, followed by committed funds, assigned amounts, and then unassigned amounts. The School Board desired to maintain, in stable economic times, a fund balance of at least 15% of the School District's General Fund annual operating expenditures.

Deferred Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The School District has items that qualify for reporting in this category. They are pension and other post-employment benefits (OPEB) related items reported in the government-wide statement of net position. Deferred outflows are recognized for pension and OPEB related items. These items are expensed in the plan year in which they apply.

Note 2 Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Concluded)

Deferred Inflows of Resources - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The School District reports items that qualify for reporting in this category. The first arises only under the modified accrual basis of accounting. Unavailable revenue is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenue from receipts that are received after 60 days of year end. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. The second is future resources yet to be recognized in relation to the pension and OPEB actuarial calculation. These future resources arise from the differences in the estimates used by the actuary to calculate the pension and OPEB liability and the actual results. The third is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period.

Net Position - Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The components of net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net position is unrestricted when other net position does not meet the definition of net investment in capital assets or is restricted and is available for general use. Restricted resources should be used first, followed by unrestricted amounts.

Pension and Other Post-Employment Benefits – To measure the retirement system's net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expenses, and fiduciary net position, including additions to and deductions from that position, of the retirement system, the system uses the same basis as each plan's official financial reports. Benefit payments, including refunds of employee contributions, are recognized when they are due and payable under the plan benefit terms. Investments are stated at fair value.

D. Estimates - The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

E. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2026.

Note 2 **Summary of Significant Accounting Policies (Concluded)**

F. **Budgetary Policies** - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the function level. Any budgetary modifications may only be made by resolution of the Board of Education.

The School District follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

1. Prior to June 30, the Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1.

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

3. Prior to June 30, the budget is legally enacted through passage of a resolution.

4. During the year the budget is monitored, and amendments to the budget resolution are made when deemed necessary.

Lapsing of Appropriations - At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.

G. **Restricted Assets** - The cash and investments for technology enhancement, debt service, and capital outlay are restricted for specific purposes. Restricted assets on the statement of net position and the governmental fund balance sheet represent cash that can only be used for which the revenue was received.

H. **Reclassifications** - Certain prior year amounts have been reclassified to conform with current year presentation.

I. **Subsequent Events** – The School District's management evaluated subsequent events from June 30, 2026 through October 29, 2026, the date the financial statements were available to be issued.

Note 3 **Stewardship, Accountability and Compliance**

The School District shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State Law for the General and Special Revenue Funds. In the required supplemental information, the School District's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

Note 3 **Stewardship, Accountability and Compliance (Continued)**

During the year ended June 30, 2026, the School District incurred expenditures in a budgetary function which was in excess of the amounts appropriated. There were no deficit fund balances for any of the School District's funds required to be budgeted. Expenditures did not exceed final budgeted amounts.

Note 4 **Deposits and Investments**

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

The Michigan Cooperative Liquid Asset Security System (Michigan CLASS) investment pool is a participant-controlled trusted created in accordance with Section 5 of Act 7 of the Urban Cooperative Act of 1967 and the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150 and is available for investment by any county, city, village, township, school district, authority, or any other political subdivision organized under the laws of the State of Michigan. The purpose is to enable such entities to cooperate in the investment of their available funds. Michigan CLASS operates like a money market mutual fund. Michigan CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques. Investments are limited to any issuer to the top two ratings issued by nationally recognized statistical rating organizations and any non-government issuer to 5% of net assets. Michigan Class has an S&P Global Rating of AAAm and a net asset value of $1 per share. The School's investment in the pool at June 30, 2026 was $198,469, with a maturity of less than 1 year.

The School District's deposits and investments are all on deposit with First Merchants Bank, Fifth Third Bank, Huntington Bank, UMB (Michigan Class), and Flagstar.

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

A. ***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.

B. ***Credit risk*** – State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of June 30, 2026, the School District did not have any investments that have this type of risk.

Note 4 **Deposits and Investments (Continued)**

C. ***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.

D. ***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 the School District. The School District has $5,332,916 invested in checking accounts and money market accounts. The School District's deposits are insured by the FDIC in the amount of $1,000,000. Uninsured deposits are $4,332,916.

E. ***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 listed in the School District's investment policy, and pre-qualifying the financial institutions, broker/dealer, intermediaries and advisors with which the School District will do business in accordance to the School District's investment policy.

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

G. ***Fair Value Measurements*** – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is also established, which requires an entity to maximize the use of observable and minimize the use of unobservable inputs.

Note 5 Interfund Payables, Receivables, and Transfers

Interfund balances at June 30, 2026, consisted of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
General Fund:		
Capital Projects Fund	$29,987	$0
Food Service Fund	131,386	0
Student and School Activity Fund	73,217	0
Debt Retirement Fund	0	357,203
Capital Projects Fund:		
General Fund	0	29,987
Food Service Fund:		
General Fund	0	131,386
Student Activity Fund	223	0
Student Activity Fund:		
General Fund	0	73,217
Food Service Fund	0	223
Debt Retirement Fund:		
General Fund	357,203	0
Total	$592,016	$592,016

The interfund 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 following accounting system, and (3) payments between funds are made.

Interfund transfers at June 30, 2026, consisted of the following:

	Transfer Out: Food Service Fund
Transfer In:	
General Fund	$34,252

The transfer from the Food Service Fund to the General Fund represents monies collected in one fund and supported administratively by another fund.

Note 6 Capital Assets

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

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Capital assets not being depreciated:				
Land	$21,913	$0	$0	$21,913
Construction in progress	13,647,178	446,504	215,121	13,878,561
	13,669,091	446,504	215,121	13,900,474
Capital assets being depreciated:				
Land improvements	1,841,514	92,884	0	1,934,398
Buildings and building improvements	11,952,938	226,140	0	12,179,078
Machinery and equipment	813,823	376,745	16,290	1,174,278
Vehicles	141,196	0	0	141,196
	14,749,471	695,769	16,290	15,428,950
Total capital assets	28,418,562	1,142,273	231,411	29,329,424
Less accumulated depreciation:				
Land improvements	(702,773)	(73,305)	0	(776,078)
Buildings and building improvements	(6,039,875)	(274,256)	0	(6,314,131)
Machinery and equipment	(195,295)	(52,246)	(3,255)	(244,286)
Vehicles	(121,212)	(4,947)	0	(126,159)
Total accumulated depreciation	(7,059,155)	(404,754)	(3,255)	(7,460,654)
Right-to-use leased assets				
Leased buses	496,089	0	0	496,089
Less accumulated amortization	(259,432)	(129,716)	0	(389,148)
Net right-to-use assets	236,657	(129,716)	0	106,941
Net capital assets	$21,596,064	$607,803	$228,156	$21,975,711

Depreciation and amortization expense was charged to governmental functions as an unallocated expense.

Note 7 Defined Benefit Pension Plans and Postemployment Benefits

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

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

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

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

Benefits Provided - Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

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

Note 7 Defined Benefit Pension Plans and Postemployment Benefits (Continued)

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. Pension contributions made in the fiscal year ending September 30, 2025 were determined as of the September 30, 2022 actuarial valuations. The pension unfunded (overfunded) actuarial accrued liabilities (UAAL) as of September 30, 2022 are amortized over a 14-year period beginning October 1, 2024 and ending September 30, 2038.

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

Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	30.11%
Member Investment Plan	3.0 - 7.0%	30.11%
Pension Plus	3.0 - 6.4%	26.27%
Pension Plus 2	6.2%	27.16%
Defined Contribution	0.0%	20.96%

Required contributions to the pension plan from the School District were $1,886,516 for the year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2026, the School District reported a liability of $9,073,782 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled-forward from September 2024. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2025, the School District's proportion was 0.04529420 percent, which was an increase of 0.00042238 percent from its proportion measured as of September 30, 2024.

For the year ended June 30, 2026, the School District recognized pension expense of $670,581. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note 7 **Defined Benefit Pension Plans and Postemployment Benefits (Continued)**
Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded)

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between actual and expected experience	$351,454	($80,819)
Changes of assumptions	325,684	(479,571)
Net differences between projected and actual earnings on pension plan investments	0	(2,168,440)
Changes in proportion and differences between school district contributions and proportionate share of contributions	481,200	(21,888)
School district's contributions subsequent to the measurement date	1,739,161	0
	$2,897,499	($2,750,718)

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date of $1,739,161 will be recognized as a reduction of the net pension liability in the year ended June 30, 2027.

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

Deferred (Inflow) and Deferred Outflow of Resources by Year
(To Be Recongnized in Future Pension Expenses)

	Amount
2026	$57,542
2027	(795,120)
2028	(645,831)
2029	(208,971)
	($1,592,380)

Note 7 **Defined Benefit Pension Plans and Postemployment Benefits (Continued)**
Actuarial Assumptions (Concluded)

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

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

Note 7 Defined Benefit Pension Plans and Postemployment Benefits (Continued)

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2025, is based on the results of an actuarial valuation date of September 30, 2024, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 4.4524
- Recognition period for assets in years is 5.0000.
- Full actuarial assumptions are available in the 2025 MPSERS Comprehensive Annual Financial Report found on the ORS website at michigan.gov/orsschools.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	21.00%	5.8%
Private Equity Pools	16.00	9.3
International Equity Pools	14.00	5.6
Fixed Income Pools	15.00	2.5
Real Estate and Infrastructure Pools	8.00	7.0
Absolute Return Pools	13.00	4.4
Real Return/Opportunistic Pools	9.00	7.0
Short-term Investment Pools	4.00	1.3
	100.00%	

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

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

Note 7 **Defined Benefit Pension Plans and Postemployment Benefits (Concluded)**

Discount rate - A discount rate of 6.00% was used to measure the total pension liability (6.00% for Pension Plus plan, 6.0% for the Pension Plus 2 plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00 for the Pension Plus plan, 6.0% for the Pension Plus 2 plan). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share 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 the discount rate of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan), as well as what the 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:

1% Decrease (5.0%)	Current Single Discount Rate Assumption (6.0%)	1% Increase (7.0%)
$14,318,929	$9,073,782	$4,705,247

MPSERS Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS ACFR, available on the ORS website at michigan.gov/orsschools.

Payable to the Pension Plan – At June 30, 2026, the School District owed $451,896 related to required pension plan payments. Amounts accrued at year end for accounting purposes are reported in the financial statements as accrued expenses. These amounts represent current payments for June paid in July, accruals for summer pay (primarily teachers), and contributions due funded from state aid revenue section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization rate contributions.

Note 8 **Postemployment Benefits Other Than Pensions (OPEB)**

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

Note 8 **Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

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

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

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

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

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

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

Note 8 **Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. OPEB contributions made in the fiscal year ending September 30, 2025 were determined as of the September 30, 2022 actuarial valuation. The OPEB unfunded (overfunded) actuarial accrued liability (UAAL) as of the September 30, 2022 are amortized over a 14 year period beginning on October 1, 2024 and ending September 30, 2038.

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

OPEB Contribution Rates

Benefit Structure	Member	Employer
Premium Subsidy	3.00%	1.25%
Personal Healthcare Fund (PHF)	0.00%	0.00%

Required contributions to the OPEB plan from School District were $41,285 for the year ended September 30, 2025.

OPEB (Assets)/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2026, the School District reported an asset of $2,668,617 for its proportionate share of the MPSERS net OPEB (asset)/liability. The net OPEB (asset)/liability was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation rolled forward from September 2024. The School District's proportion of the net OPEB (asset)/liability was determined by dividing each employers' statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2025, the School District's proportion was 0.04389809 percent, which was a decrease of .00083107 percent from its proportion measured as of September 30, 2024.

Note 8 Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB (Assets)/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued) - For the year ending June 30, 2026, the School District recognized OPEB income of $798,098. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between actual and expected experience	$0	($1,827,061)
Changes of assumptions	356,156	(28,303)
Net differences between projected and actual earnings on OPEB plan investments	0	(374,999)
Changes in proportion and differences between school district contributions and proportionate share of contributions	149,097	(85,543)
School district's contributions subsequent to the measurement date	91,696	0
	$596,949	($2,315,906)

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date of $91,696 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Note 8 **Postemployment Benefits Other Than Pensions (OPEB) (Continued)**
OPEB (Assets)/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – (Continued)

Deferred (Inflow) and Deferred Outflow of Resources by Year
(To Be Recognized in Future OPEB Expenses)

	Amount
2026	($467,340)
2027	(492,584)
2028	(434,287)
2029	(280,666)
2030	(103,620)
Thereafter	(32,156)
	($1,810,653)

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

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

Note 8 Postemployment Benefits Other Than Pensions (OPEB) (Continued)
Actuarial Assumptions (Concluded)

Mortality:

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

Other Assumptions:

Opt Out Assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage Election at Retirement	Of those not opting out, 75% of male and 60% of female future retirees are assumed to elect coverage for one or more dependents.

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total OPEB liability as of September 30, 2025, is based on the results of an actuarial valuation date of September 30, 2024, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 6.4654.
- Recognition period for assets in years is 5.0000
- Full actuarial assumptions are available in the 2025 MPSERS Comprehensive Annual Financial Report found on the ORS website at michigan.gov/orsschools.

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

Note 8 Postemployment Benefits Other Than Pensions (OPEB) (Concluded)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	16.00%	5.8%
Private Equity Pools	16.00	9.3
International Equity Pools	11.00	5.6
Fixed Income Pools	26.00	2.5
Real Estate and Infrastructure Pools	5.00	7.0
Absolute Return Pools	15.00	4.4
Real Return/Opportunistic Pools	7.00	7.0
Short-term Investment Pools	4.00	1.3
	100.00%	

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

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

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

Sensitivity of the School District's proportionate share 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 School District'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 higher:

1% Decrease	Current Discount Rate	1% Increase
5.00%	6.00%	7.00%
($2,299,182)	($2,668,617)	($2,991,952)

Note 8 **Postemployment Benefits Other Than Pensions (OPEB) (Concluded)**

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
5.00%	6.00%	7.00%
($2,989,002)	($2,668,617)	($2,332,223)

OPEB Plan Fiduciary Net Position - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2025 MPSERS CAFR, available on the ORS website at michigan.gov/orsschools.

Payables to the OPEB Plan - At June 30, 2026, the School District owed $18,807 related to required OPEB plan payments. Amounts accrued at year end for accounting purposes are reported in the financial statements as accrued expenses. These amounts represent current payments for June paid in July and accruals for summer pay (primarily for teachers).

Note 9 **Enhancement Millage for Technology**

Voters of Monroe County passed an enhancement millage based on the taxable value of all property in the Monroe County Intermediate School District. The technology millage was renewed on May 5, 2026, at 0.9866 mill for an additional five years, through 2031. The intermediate school district will distribute the tax collections to the local school districts based on pupil membership count. The tax millage received by the local school districts will be used for technology enhancements and related expenses.

Note 10 Unearned Revenue

Governmental funds and governmental activities defer revenue recognition in connection with resources that have been received but not earned. At the end of the current fiscal year, the various components of unearned revenue are as follows:

General Fund:	
Early Literacy Grant	$2,938
Donations for events	1,850
At Risk Grant	30,098
104A Benchmark	3,807
Milk Means More	4,018
Food Service Fund:	
Prepaid student balances	5,337
Total	$48,048

Note 11 Long-Term Debt

Following is a summary of changes in long-term debt:

	Balance June 30, 2025	Additions	Payments	Balance June 30, 2026	Due in One Year
2015 Refunding Bonds	$1,055,000	$0	$515,000	$540,000	$540,000
2020 Building and Site Bonds	3,685,000	0	0	3,685,000	0
2022 Building and Site Bonds	6,400,000	0	0	6,400,000	0
2024 Building and Site Bonds	2,840,000	0	0	2,840,000	0
Premium on bonds	849,277	0	55,747	793,530	0
Total bonds payable	14,829,277	0	570,747	14,258,530	540,000
Other Liabilities:					
Compensated absences payable	1,374,620	0	417,383	957,237	0
	$16,203,897	$0	$988,130	$15,215,767	$540,000

Note 11 **Long-Term Debt (Continued)**

On March 11, 2015, the School issued $5,230,000 in general obligation bonds with an interest rate of 4 percent to advance refund $5,760,000 of outstanding 2005 Series bonds with an average interest rate of 4.14 percent. The net proceeds of $5,757,949 (after payment of $89,097 in underwriting fees, insurance, and other issuance costs) plus an additional $119,548 of 2005 Bond Debt Fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2005 Series bonds. As a result, the 2005 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $530,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2027 using an effective-interest method. The School District completed the advance refunding to reduce its total debt service payments over the next 22 years by $692,054 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $602,077.

Compensated absences payable represents benefits for vacation and sick leave at year end. Compensated absences are calculated based on formulas and conditions specified in various union contracts.

2005 School Building and Site Bonds - $7,405,000 - Interest rate 3.0% to 4.25%

These bonds were approved by the voters of the School District on November 1, 2005. The proceeds were used for erecting, furnishing and equipping an addition to the elementary school; partially remodeling, refurnishing and equipping the elementary and middle high schools; and developing and improving the school site. The bonds will pledge the full faith, credit, and resources of the School District for payment of principal and interest thereon, and will be payable from an annual property tax millage. On March 11, 2015, certain bonds totaling $5,230,000 were defeased by the 2015 bond issue.

2015 Refunding Bonds - $5,230,000 - Interest rate 4.0%

These bonds dated March 11, 2015, were issued to defease $5,760,000 of the 2005 School Building and Site Bonds. The bonds will pledge the full faith, credit, and resources of the School District for payment of principal and interest thereon, and will be payable from an annual property tax millage. The principal and interest requirements to retire the 2015 bonds are as follows:

	Interest Requirements		Bond Maturities	Total
Fiscal Year	November 1	May 1	May 1	Requirements
2027	$10,800	$10,800	$540,000	$561,600

Note 11 **Long-Term Debt (Continued)**

2020 School Building and Site Bonds - $4,555,000 - Interest rate 3.0%

These bonds were approved by the voters of the School District on November 5, 2019. The proceeds were used for erecting, furnishing and equipping an arts program addition and a multi-purpose gymnasium addition to the middle/high school; remodeling, furnishing and refurnishing, and equipping and re-equipping existing school buildings; acquiring and installing instructional technology in school buildings; erecting, furnishing, and equipping a new bus garage; and preparing, developing, improving, and equipping athletic fields and facilities and sites. The bonds will pledge the full faith, credit, and resources of the School District for payment of principal and interest thereon, and will be payable from an annual property tax millage. The principal and interest requirements to retire the 2020 bonds are as follows:

	Interest Requirements		Bond Maturities	Total
Fiscal Year	November 1	May 1	May 1	Requirements
2027	$55,275	$55,275	$0	$110,550
2028	55,275	55,275	160,000	270,550
2029	52,875	52,875	165,000	270,750
2030	50,400	50,400	170,000	270,800
2031	47,850	47,850	175,000	270,700
2032	45,225	45,225	180,000	270,450
2033	42,525	42,525	185,000	270,050
2034	39,750	39,750	190,000	269,500
2035	36,900	36,900	195,000	268,800
2036	33,975	33,975	200,000	267,950
2037	30,975	30,975	205,000	266,950
2038	27,900	27,900	210,000	265,800
2039	24,750	24,750	215,000	264,500
2040	21,525	21,525	225,000	268,050
2041	18,150	18,150	235,000	271,300
2042	14,625	14,625	240,000	269,250
2043	11,025	11,025	245,000	267,050
2044	7,350	7,350	255,000	269,700
2045	3,525	3,525	235,000	242,050
	$619,875	$619,875	$3,685,000	$4,924,750

Note 11 **Long-Term Debt (Continued)**

2022 School Building and Site Bonds - $7,145,000 - Interest rate 3.0-4.0%

These bonds were approved by the voters of the School District on November 5, 2019. The proceeds were used for erecting, furnishing and equipping an arts program addition and a multi-purpose gymnasium addition to the middle/high school; remodeling, furnishing and refurnishing, and equipping and re-equipping existing school buildings; acquiring and installing instructional technology in school buildings; erecting, furnishing, and equipping a new bus garage; and preparing, developing, improving, and equipping athletic fields and facilities and sites. The bonds will pledge the full faith, credit, and resources of the School District for payment of principal and interest thereon, and will be payable from an annual property tax millage. The principal and interest requirements to retire the 2022 bonds are as follows:

	Interest Requirements		Bond Maturities	Total
Fiscal Year	November 1	May 1	May 1	Requirements
2027	$104,550	$104,550	$0	$209,100
2028	104,550	104,550	320,000	529,100
2029	98,150	98,150	330,000	526,300
2030	91,550	91,550	345,000	528,100
2031	84,650	84,650	355,000	524,300
2032	77,550	77,550	360,000	515,100
2033	70,350	70,350	365,000	505,700
2034	64,875	64,875	370,000	499,750
2035	59,325	59,325	380,000	498,650
2036	53,625	53,625	385,000	492,250
2037	47,850	47,850	390,000	485,700
2038	42,000	42,000	400,000	484,000
2039	36,000	36,000	405,000	477,000
2040	29,925	29,925	415,000	474,850
2041	23,700	23,700	425,000	472,400
2042	17,325	17,325	440,000	474,650
2043	10,725	10,725	450,000	471,450
2044	3,975	3,975	165,000	172,950
2045	1,500	1,500	100,000	103,000
	$1,022,175	$1,022,175	$6,400,000	$8,444,350

Note 11 **Long-Term Debt (Continued)**

2024 School Building and Site Bonds - $2,875,000 - Interest rate 4.0-5.0%

These bonds were approved by the voters of the School District on November 5, 2019. The proceeds were used for erecting, furnishing and equipping an arts program addition and a multi-purpose gymnasium addition to the middle/high school; remodeling, furnishing and refurnishing, and equipping and re-equipping existing school buildings; acquiring and installing instructional technology in school buildings; erecting, furnishing, and equipping a new bus garage; and preparing, developing, improving, and equipping athletic fields and facilities and sites. The bonds will pledge the full faith, credit, and resources of the School District for payment of principal and interest thereon, and will be payable from an annual property tax millage. The principal and interest requirements to retire the 2024 bonds are as follows:

	Interest Requirements		Bond Maturities	Total
Fiscal Year	November 1	May 1	May 1	Requirements
2027	$59,800	$59,800	$0	$119,600
2028	59,800	59,800	65,000	184,600
2029	58,175	58,175	70,000	186,350
2030	56,425	56,425	70,000	182,850
2031	54,675	54,675	80,000	189,350
2032	52,675	52,675	95,000	200,350
2033	50,300	50,300	110,000	210,600
2034	47,550	47,550	110,000	205,100
2035	44,800	44,800	115,000	204,600
2036	42,500	42,500	120,000	205,000
2037	40,100	40,100	125,000	205,200
2038	37,600	37,600	130,000	205,200
2039	35,000	35,000	140,000	210,000
2040	32,200	32,200	150,000	214,400
2041	29,200	29,200	155,000	213,400
2042	26,100	26,100	160,000	212,200
2043	22,900	22,900	170,000	215,800
2044	19,500	19,500	475,000	514,000
2045	10,000	10,000	500,000	520,000
	$779,300	$779,300	$2,840,000	$4,398,600

Note 11 **Long-Term Debt (Concluded)**

Annual principal and interest requirements to maturity for the above bond obligations are as follows:

Fiscal Year	Interest	Principal	Total Requirements
2027	$460,850	$540,000	$1,000,850
2028	439,250	545,000	984,250
2029	418,400	565,000	983,400
2030	396,750	585,000	981,750
2031	374,350	610,000	984,350
2032-2036	1,523,850	3,360,000	4,883,850
2037-2041	953,750	3,825,000	4,778,750
2042-2045	297,100	3,435,000	3,732,100
	$4,864,300	$13,465,000	$18,329,300

Note 12 **Lease Commitments**

The following is a summary of changes in lease commitments:

	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026	Due in One Year
Hoekstra Leasing LLC - A	$213,675	$0	$104,487	$109,188	$109,188
Hoekstra Leasing LLC - B	22,766	0	22,766	0	0
Total lease commitments	$236,441	$0	$127,253	$109,188	$109,188

On July 18, 2023, the School Districted entered into two separate leases with Hoekstra Leasing LLC for school buses. The terms of these leases are 36 months to 48 months, with annual payments ranging from $109,188 to $121,983, with interest rates ranging from 3.5-4.5%.

The leased buses and accumulated amortization of the right-to-use assets are outlined in Note 6. Minimum lease payments over the next 3 years are as follows:

	Hoekstra Leasing LLC		
	Principal	Interest	Total
Fiscal Year			
2027	$109,188	$4,913	$114,101

Note 13 Property Taxes

Property taxes are recorded as revenue when levied and received by the various governmental units that collect the School District's taxes. The School District's 2025 property taxes were levied on December 1, 2024 on assessed valuations as of December 31, 2024. Taxes were collected beginning December 1, 2024 and payments were due by February 14, 2026. Taxable values are based on a percentage of the fair market value of the assessed property. See "Summary of 2025 Tax Levy" for more information.

Note 14 Cafeteria Contract

During the fiscal year ended June 30, 2026, the School District contracted with The Nutrition Group to cover all cafeterias within the School District. Pursuant to this agreement, The Nutrition Group manages the food service operations of the School District. All costs of The Nutrition Group have been reflected in the financial statements of the Food Service Fund.

Note 15 Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2026.

B. Litigation

There are currently no matters in litigation with the School District as defendant.

Note 16 Risk Management and Insurance Pool

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (worker's compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for medical claims, self-funds worker's compensation claims subject to stop loss insurance, and participates in the SET-SEG risk pool for 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.

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 17 Capital Projects Fund

The Capital Projects Fund includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provision of §1351a of the Revised School Code.

Note 18 Accounting Pronouncements

In April 2024, the Governmental Accounting Standards Board issued GASB Statement Number 103, *Financial Reporting Model Improvements*. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. The School District implemented this standard effective July 1, 2025.

In September 2024, the Governmental Accounting Standards Board issued GASB Statement Number 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 GASB Statement Number 34. Leased assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The School District implemented this standard effective July 1, 2025.

REQUIRED SUPPLEMENTAL INFORMATION

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues					
Local sources	$1,291,715	$1,466,721	$175,006	$1,471,421	$4,700
State sources	8,799,988	9,117,571	317,583	9,194,202	76,631
Federal sources	39,000	192,379	153,379	110,672	(81,707)
Interdistrict and other sources	680,500	777,626	97,126	618,005	(159,621)
Total Revenues	10,811,203	11,554,297	743,094	11,394,300	(159,997)
Expenditures					
Instruction:					
Basic programs	5,763,180	5,764,408	1,228	5,684,881	79,527
Added needs	1,155,513	1,224,840	69,327	1,172,827	52,013
Support services:			0		
Pupil	432,681	426,895	(5,786)	373,111	53,784
Instructional staff	171,456	183,043	11,587	167,139	15,904
General administration	404,040	387,341	(16,699)	380,700	6,641
School administration	663,151	701,146	37,995	684,451	16,695
Business administration	298,632	304,072	5,440	302,630	1,442
Operation and maintenance	1,098,685	1,135,952	37,267	1,176,978	(41,026)
Pupil transportation	405,377	440,757	35,380	393,720	47,037
Central services	376,381	522,750	146,369	415,176	107,574
Facilities acquisition		90,646	90,646	93,719	(3,073)
Athletics	397,080	442,859	45,779	417,052	25,807
Debt service	137,665	137,665	0	137,665	0
Total Expenditures	11,303,841	11,762,374	458,533	11,400,049	362,325
Excess (Deficiency) of Revenues Over Expenditures	(492,638)	(208,077)	284,561	(5,749)	202,328
Other Financing Sources (Uses)					
Operating transfer in	0	41,915	(41,915)	34,252	7,663
Net Change in Fund Balances	(492,638)	(166,162)	242,646	28,503	209,991
Fund Balances - Beginning of year	3,427,896	3,981,605	553,709	3,981,605	0
Fund Balances - End of year	$2,935,258	$3,815,443	$796,355	$4,010,108	$209,991

WHITEFORD AGRICULTURAL SCHOOLS

Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 School District Fiscal Years (Amounts determined as of 9/30 of each year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of net pension liability (%)	0.04529%	0.04487%	0.04262%	0.04250%	0.04261%	0.04047%	0.03862%	0.03721%	0.03625%	0.03453%	0.03206%
B. School District's proportion proporitionate share of net pension liability	$9,073,782	$10,985,527	$13,795,385	$15,982,878	$10,087,089	$13,903,331	$12,790,324	$11,184,651	$9,395,072	$8,614,164	$7,829,613
C. School District's covered-employee payroll	$4,983,379	$4,757,622	$4,447,705	$3,979,582	$4,016,581	$3,654,217	$3,440,900	$3,239,983	$3,070,857	$3,020,287	$2,685,414
D. School District's proportionate share of net pension liability as a percentage of its covered-employee payroll (%)	54.92%	43.31%	32.24%	24.90%	39.82%	26.28%	26.90%	28.97%	32.69%	35.06%	34.30%
E. Plan fiduciary net position as a percentage of total pension liability	79.44%	74.44%	60.77%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

WHITEFORD AGRICULTURAL SCHOOLS

Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 School District Fiscal Years (Amounts determined as of 6/30 of each year)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Statutorily required contributions	$1,886,516	$1,876,025	$1,536,180	$1,449,449	$1,279,290	$1,112,284	$1,026,010	$1,013,114	$850,360	$775,318	$618,396
B. Contributions in relation to statutorily required contributions*	1,886,516	1,876,025	1,536,180	1,449,449	1,279,290	1,112,284	1,026,010	1,013,114	850,360	775,318	618,396
C. Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D. School District's covered-employee payroll	$5,190,358	$4,944,663	$4,709,319	$4,341,083	$4,036,206	$3,810,340	$3,450,396	$3,318,156	$3,199,739	$3,066,347	$2,292,845
E. Contributions as a percentage of covered-employee payroll	36.35%	37.94%	32.62%	33.39%	31.70%	29.19%	29.74%	30.53%	26.58%	25.28%	26.97%

*Contributions in relation to statutorily required contributions are the contributions a school district actually made to the system, as distinct from the statutorily required contributions.

WHITEFORD AGRICULTURAL SCHOOLS

Schedule of the School District's Proportionate Share of the Net OPEB (Asset)/Liability
Michigan Public School Employees Retirement Plan
Last 10 School District Fiscal Years (Amounts determined as of 9/30 of each year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
A. School District's proportion of net OPEB (asset)/liability (%)	0.04390%	0.04473%	0.04403%	0.04037%	0.04402%	0.04104%	0.03921%	0.03797%	0.03631%
B. School District's proportion proportionate share of net OPEB (asset)/liability	($2,668,617)	($1,925,321)	($249,094)	$855,061	$671,876	$2,198,611	$2,814,194	$3,017,915	$3,215,011
C. School District's covered-employee payroll	$4,983,379	$4,757,622	$4,447,705	$3,979,582	$4,016,581	$3,654,217	$3,440,900	$3,239,983	$3,070,857
D. School District's proportionate share of net OPEB (asset)/liability as a percentage of its covered-employee payroll (%)	-186.74%	-247.11%	-1785.55%	465.41%	597.82%	166.21%	122.27%	107.36%	95.52%
E. Plan fiduciary net position as a percentage of total OPEB liability	164.94%	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE September 30, 2017.

WHITEFORD AGRICULTURAL SCHOOLS

Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 School District Fiscal Years (Amounts determined as of 6/30 of each year)

	2026	2025	2024	2023	2022	2021	2020	2019	2018
A. Statutorily required contributions	$41,285	$371,792	$343,016	$307,511	$326,763	$289,956	$269,200	$246,437	$282,652
B. Contributions in relation to statutorily required contributions*	41,285	371,792	343,016	307,511	326,763	289,956	269,200	246,437	282,652
C. Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0
D. School District's covered-employee payroll	$5,190,358	$4,944,663	$4,709,319	$4,341,083	$4,036,206	$3,810,340	$3,450,396	$3,318,156	$3,199,739
E. Contributions as a percentage of covered-employee payroll	0.80%	7.52%	7.28%	7.08%	8.10%	7.61%	7.80%	7.43%	8.83%

*Contributions in relation to statutorily required contributions are the contributions a school district actually made to the system, as distinct from the statutorily required contributions.

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE September 30, 2017.

Note A Budgetary Comparison Schedules

Budgetary comparison schedules are presented as required supplementary information for the General Fund and the Food Service Fund. The budgetary comparison schedules present the original budget, the final amended budget, and actual results on a budgetary basis, together with variance columns showing (1) the difference between the original and final budget and (2) the difference between the final budget and actual results, as required under GASB 103. Below are the most significant variances and the explanations of each.

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual Amounts	Variance with Final Budget Over (Under) Actual Amounts
	Original	Final			
General Fund:					
Revenues					
Local sources	$1,291,715	$1,466,721	$175,006	$1,471,421	$4,700
State sources	8,799,988	9,117,571	317,583	9,194,202	76,631
Federal sources	39,000	192,379	153,379	110,672	(81,707)
Interdistrict and other sources	680,500	819,541	139,041	618,005	(201,536)
Expenditures					
Instruction	6,918,693	6,989,248	70,555	6,857,708	(131,540)
Support services	3,850,403	4,101,956	251,553	3,893,905	(208,051)
Facilities acquisition	0	90,646	90,646	93,719	3,073

Explanation of Significant Variances – Original Budget to Final Budget

General Fund Local Source Revenues – The original budget for local source revenues was $1,291,715. The final budget was increased to $1,466,721, representing a net increase of $175,006. The increase was primarily attributable to additional donations, higher projected investment earnings, and increased property tax revenue.

The final budget included an $80,000 donation designated for softball dugout and field improvements and a $20,500 donation for the purchase of a new baseball scoreboard. The School District also increased its projected investment earnings by $17,000 based on updated estimates and increased its property tax revenue budget by $62,853 to reflect changes in property values and the resulting anticipated tax collections.

These adjustments accounted for substantially all of the increase from the original to the final budget and reflect updated revenue expectations and donations received during the fiscal year.

General Fund State Source Revenues –The original budget for state source revenues was $8,799,988, while the final budget was increased to $9,117,571, representing a net increase of $317,583.

The School District's original budget was prepared and adopted in June 2025, before the State of Michigan finalized its budget in October 2025. As a result, the School District did not have complete information regarding the state funding it would receive, particularly for categorical grants and other state-funded programs. To address this uncertainty, the School District took a conservative approach when developing its original revenue estimates. Following approval of the state budget and receipt of additional funding information, the School District amended its budget to reflect updated allocations and revenue expectations.

Significant adjustments included the addition of $71,918 for the District Transportation Costs Grant and $120,617 for the Educator Compensation Program Grant, neither of which had been included in the original budget. The School District also added $6,067 for the Filter First Grant $4,827 for First Robotics grant and $13,894 related to the ORS Employer Forfeiture Campaign.

The At-Risk revenue budget was increased from $311,421 to reflect an additional $56,342 in state funding. The School District also revised its budget for several grant carryover amounts after fiscal year 2025 actuals were finalized. These adjustments included:

- Student Mental Health: Increased from $0 to $5,445.
- Professional Development: Increased from $1,139 to $17,114.
- Targeted Literacy: Increased from $20,241 to $21,196.
- Benchmark Assessments: Increased from $0 to $3,807.

Additionally, the Vocational Education state grant budget was increased from $10,000 to $18,020, reflecting an additional $8,020 in anticipated funding and an additional $9,716 in MPSERS funding and prior year state aid adjustments.

These amendments reflect the School District's efforts to update its original conservative revenue estimates as actual state funding allocations, grant awards, and available carryover amounts became known.

General Fund Federal Source Revenues –The original budget for federal source revenues was $39,000. The final budget was increased to $192,379, representing a net increase of $153,379. The most significant adjustment was related to anticipated E-Rate funding for the School District's technology network project. The School District initially anticipated approximately $125,000 in reimbursement for the project, which was reflected in the final budget.

Additionally, the original budget included $18,000 for the Title I grant and $8,500 for the Title II grant. Upon receipt of the School District's final allocation, the Title I budget was increased to $40,869, an increase of $22,869 and the Title II budget was increased to $10,083, an increase of $1,583. The Medicaid revenue budget was also increased from the original budget of $2,500 to $6,000 to reflect updated revenue expectations.

These adjustments accounted for the primary changes between the original and final federal revenue budgets.

General Fund Interdistrict and Other Source Revenues – The original budget for interdistrict and other source revenues was $680,500, while the final budget was increased to $819,541, representing a net increase of $139,041. The increase was primarily attributable to the addition of $83,551 in anticipated technology millage revenue and a budgeted transfer of $41,915 from the Food Service Fund to the General Fund for indirect costs.

These adjustments were made to reflect updated revenue expectations and the anticipated recovery of indirect costs associated with the District's Food Service operations.

General Fund Support Services Expenditures – The original budget for support services expenditures was $3,850,403, while the final budget was increased to $4,101,956, representing a net increase of $251,553. The increase was primarily attributable to $213,431 in additional expenditures funded through the technology millage.

These expenditures included the School District's technology network equipment project, the purchase of 355 new Chromebooks for students, and 81 new laptops for staff to replace outdated equipment. The final budget was amended to reflect these technology investments and the associated costs.

General Fund Facilities Acquisition Expenditures - The original budget for facilities acquisition expenditures was $0, while the final budget was increased to $90,646. This increase was primarily attributable to the softball dugout project and related field improvements. The School District amended its budget to reflect the anticipated project costs, which were partially offset by an $80,000 donation received specifically for these improvements and recognized as local source revenue

Explanation of Significant Variances – Final Budget to Actual Results

General Fund Interdistrict and Other Source Revenues - Actual interdistrict and other source revenues totaled $618,005, compared to the final budget of $819,541, resulting in an unfavorable variance of $201,536. The variance was primarily attributable to technology millage revenue and the transfer of indirect costs from the Food Service Fund.

The final budget included $493,551 in technology millage revenue, which reflected the full amount budgeted and available for use, including funds carried over from FY2025. Actual revenue recognized during FY2026 was $330,582, representing the current-year allocation. The difference was attributable to the inclusion of the prior-year carryover in the budgeted amount, rather than additional revenue received during FY2026.

Additionally, the final budget included a $41,915 transfer from the Food Service Fund for indirect costs, while the actual transfer was $34,252. The indirect cost recovery is calculated based on a maximum of 15% of the Food Service Fund's final purchased services and supply expenditures, resulting in a lower actual transfer than originally budgeted.

These items accounted for the primary differences between the final budget and actual interdistrict and other source revenues.

General Fund Instruction Expenditures - Actual instruction expenditures totaled $6,857,708, compared to the final budget of $6,989,248, resulting in a favorable variance of $131,540. The variance was primarily attributable to the conservative budgeting of employee retirement costs and the timing of grant expenditures.

When preparing the budget, the School District uses the highest Michigan Public School Employees' Retirement System (MPSERS) employer contribution rate of 29.91% of reportable wages to estimate retirement costs. This approach provides a conservative estimate across the School District's workforce, although employees participate in different retirement plans with varying employer contribution rates. There are approximately 20 different retirement plan options, with defined benefit employer rates ranging from 15.21% to 29.91% and defined contribution rates ranging from 1% to 9%. Because not all employees are enrolled in plans requiring the highest contribution rate, actual retirement costs were lower than budgeted.

Additionally, grant-funded expenditures are budgeted to reflect the full amount of available grant funding. However, not all grant funds are necessarily expended within the fiscal year in which they are budgeted. Unspent grant funds are carried forward for use in subsequent fiscal years, contributing to actual expenditures being lower than the final budget.

These factors primarily contributed to the favorable variance between final budgeted and actual instruction expenditures.

General Fund Support Services Expenditures - Actual support services expenditures totaled $3,893,905, compared to the final budget of $4,101,956, resulting in a favorable variance of $208,051. The variance was primarily attributable to the conservative budgeting of employee retirement costs and the timing of grant expenditures, as discussed in the General Fund – Instruction Expenditures section.

A significant portion of the variance was related to technology millage supplies. Approximately $105,000 of the amount budgeted for technology millage supplies remained unexpended at year-end. These funds were included in the final budget to reflect the full availability of funding but were not needed or expended during the current fiscal year and remain available for future use in accordance with applicable restrictions.

Note B Pension and Other Post-Employment Benefit Information

A. Pension Information

Benefit Changes

There were no changes of benefit terms for the pension plan year ended 2025.

Assumption Changes

There were no changes of assumptions for the pension plan year ended 2025.

B. OPEB Information

Benefit Changes

There were no changes of benefit terms for the OPEB plan year ended 2025.

Assumption Changes

There were no changes of assumptions for the OPEB plan year ended 2025.

OTHER SUPPLEMENTAL INFORMATION

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

General Fund
Schedule of Revenues-Budget and Actual
Year Ended June 30, 2026

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Local Sources			
Property taxes	$1,150,915	$1,148,898	($2,017)
Investment income	37,012	42,262	5,250
Contributions	101,250	106,196	4,946
Athletics	103,414	103,414	0
Other revenue	74,130	70,651	(3,479)
Total Local Sources	1,466,721	1,471,421	4,700
State Sources			
Unrestricted grants:			
Proposal A obligation	3,226,059	3,226,059	0
Discretionary payment	4,039,983	4,039,983	0
Restricted grants:			
Special education-Headlee obligation	273,030	273,030	0
At risk	367,763	337,673	(30,090)
MPSERS rate offset/UAAL/reform	883,542	1,020,194	136,652
Education compensation	120,617	120,617	0
Student mental health	5,445	5,445	0
Other state grants	183,112	153,181	(29,931)
Transfer from intermediate school district:			
Vocational education	18,020	18,020	0
Total State Sources	9,117,571	9,194,202	76,631
Federal Sources			
Title I	40,869	40,869	0
Title IIA	10,083	10,083	0
Title IV	10,000	10,000	0
Filter first	0	6,067	6,067
Medicaid outreach grant	130,877	5,826	(125,051)
E*Rate	0	37,551	37,551
Transfer from intermediate school district:			
Homeless Students' Assistance	550	276	(274)
Total Federal Sources	192,379	110,672	(81,707)
Interdistrict and Other Sources			
County special education tax	270,130	276,480	6,350
Technology enhancement millage	493,551	330,582	(162,969)
Transportation	6,613	6,612	(1)
Insurance reimbursements	7,332	4,331	(3,001)
Transfer from food service	41,915	34,252	(7,663)
Total Interdistrict and Other Sources	819,541	652,257	(159,621)
Total Revenues	$11,596,212	$11,428,552	($159,997)

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

General Fund
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2026

	Salaries	Employee Benefits	Purchased Services
Instruction			
Basic Programs:			
Elementary	$1,041,010	$737,255	$50,770
Middle School	837,303	598,088	61,162
High School	1,032,503	754,339	136,031
Transitional Kindergarten	44,714	29,900	1,019
Summer School	2,350	1,176	0
	2,957,880	2,120,758	248,982
Added Needs:			
Special education	396,932	276,985	714
Compensatory education	205,160	120,485	247
Vocational education	85,974	62,977	10,550
	688,066	460,447	11,511
Total Instruction	3,645,946	2,581,205	260,493
Support Services			
Pupil:			
Guidance	135,112	97,168	1,728
Health	0	0	406
Social work services	46,314	37,355	978
Other pupil services	29,994	14,606	135
	211,420	149,129	3,247
Instructional Staff:			
Improvement of instruction	23,141	18,545	13,193
Library	12,147	6,272	2,065
Technology assisted	24,884	12,793	24,239
	60,172	37,610	39,497
General Administration:			
Board of Education	2,460	193	24,729
Executive administration	197,579	137,349	3,774
	200,039	137,542	28,503
School Administration:			
Office of the principal	404,959	262,759	9,449
Other school administration	0	0	690
	404,959	262,759	10,139
Business Administration:			
Fiscal services	159,890	113,229	4,514
Internal services	0	0	334
Other business services	0	0	15,219
	159,890	113,229	20,067

Supplies and Materials	Capital Outlay	Other Expenses	Totals	Final Budget	Variance with Final Budget Positive (Negative)
$43,791	$82,050	$120	$1,954,996	$1,985,768	$30,772
63,530	57,892	996	1,618,971	1,654,715	35,744
37,254	32,178	39,290	2,031,595	2,044,507	12,912
160	0	0	75,793	77,428	1,635
0	0	0	3,526	1,990	(1,536)
144,735	172,120	40,406	5,684,881	5,764,408	79,527
550	2,936	0	678,117	689,230	11,113
3,717	826	0	330,435	365,779	35,344
2,559	0	2,215	164,275	169,831	5,556
6,826	3,762	2,215	1,172,827	1,224,840	52,013
151,561	175,882	42,621	6,857,708	6,989,248	131,540
370	2,478	0	236,856	237,338	482
125	0	0	531	621	90
0	826	5,516	90,989	143,545	52,556
0	0	0	44,735	45,391	656
495	3,304	5,516	373,111	426,895	53,784
780	0	0	55,659	71,490	15,831
0	0	0	20,484	20,607	123
265	0	28,815	90,996	90,946	(50)
1,045	0	28,815	167,139	183,043	15,904
495	0	6,404	34,281	38,156	3,875
3,033	2,767	1,917	346,419	349,185	2,766
3,528	2,767	8,321	380,700	387,341	6,641
3,234	1,127	450	681,978	698,656	16,678
1,783	0	0	2,473	2,490	17
5,017	1,127	450	684,451	701,146	16,695
2,732	1,675	5,025	287,065	288,507	1,442
0	0	0	334	334	0
0	0	12	15,231	15,231	0
2,732	1,675	5,037	302,630	304,072	1,442

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

General Fund
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2026

	Salaries	Employee Benefits	Purchased Services
Support Services (Concluded)			
Operations Building Services:			
Operations and maintenance	$156,848	$128,919	$477,817
Security services	0	0	115,755
	156,848	128,919	593,572
Pupil Transportation	220,438	116,587	23,313
Central Services:			
Communication services	0	0	8,376
Staff services	69,045	47,196	15,267
Technology	2,703	1,249	13,547
	71,748	48,445	37,190
Athletics	120,227	73,513	173,173
Total Support Services	1,605,741	1,067,733	812,946
Facilities Acquisition, Construction, and Improvements			
Site improvement and construction services	0	0	0
Total Facilities Acquisition, Construction, and Improvements	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Interdistrict and Other Uses	0	0	0
Total Expenditures	$5,251,687	$3,648,938	$1,073,439

Supplies and Materials	Capital Outlay	Other Expenses	Totals	Final Budget	Variance with Final Budget Positive (Negative)
$222,983	$74,038	$150	$1,060,755	$1,019,951	($40,804)
468	0	0	116,223	116,001	(222)
223,451	74,038	150	1,176,978	1,135,952	(41,026)
30,628	525	2,229	393,720	440,757	47,037
2,295	0	0	10,671	13,180	2,509
348	1,675	150	133,681	134,636	955
9,569	146,539	97,217	270,824	374,934	104,110
12,212	148,214	97,367	415,176	522,750	107,574
7,275	36,124	6,740	417,052	442,859	25,807
285,915	267,774	154,625	4,310,957	4,544,815	233,858
0	93,719	0	93,719	90,646	(3,073)
0	93,719	0	93,719	90,646	(3,073)
0	0	127,253	127,253	127,253	0
0	0	10,412	10,412	10,412	0
0	0	137,665	137,665	137,665	0
$437,476	$537,375	$334,911	$11,400,049	$11,762,374	$362,325

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Positive (Negative) Budget
Revenues				
Local Sources:				
Investment income	$9,000	$11,004	$11,070	$66
Expenditures				
Building improvements services:				
Purchased services	4,000	4,000	4,459	(459)
Capital outlay	492,280	458,839	440,437	18,402
Other	650	950	362	588
Total Expenditures	496,930	463,789	445,258	18,531
Net Change in Fund Balances	(487,930)	(452,785)	(434,188)	18,597
Fund Balance - Beginning of year	487,930	452,785	452,785	0
Fund Balance - End of year	$0	$0	$18,597	$18,597

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2026

	Special Revenue Funds		Debt Retirement Fund	
	Food Service	Student and School Activity	School Bond Debt Retirement	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$480,412	$317,767	$362,765	$1,160,944
Accounts receivable	1,380	135	0	1,515
Due from other governmental units	49,429	0	0	49,429
Due from other funds	223	0	357,203	357,426
Inventory	8,126	0	0	8,126
Prepaid expenditures	604	0	0	604
Total Assets	$540,174	$317,902	$719,968	$1,578,044
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$9,069	$16,063	$0	$25,132
Other liabilities	13	0	0	13
Unearned revenue	5,337	0	0	5,337
Due to other funds	131,386	73,440	0	204,826
Total Liabilities	145,805	89,503	0	235,308
Fund Balances				
Nonspendable:				
Prepaid expenditures	604	0	0	604
Inventory	8,126	0	0	8,126
Restricted for:				
Food service	385,639	0	0	385,639
Debt service	0	0	719,968	719,968
Committed to:				
Student and school activity	0	228,399	0	228,399
Total Fund Balances	394,369	228,399	719,968	1,342,736
Total Liabilities and Fund Balances	$540,174	$317,902	$719,968	$1,578,044

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2026

	Special Revenue Fund		Debt	
	Food Service	Student and School Activity	School Bond Debt Retirement	Total Nonmajor Governmental Funds
Revenues				
Local sources	$39,986	$259,089	$1,120,612	$1,419,687
State sources	338,711	0	12,165	350,876
Federal sources	181,726	0	0	181,726
Total Revenues	560,423	259,089	1,132,777	1,952,289
Expenditures				
Food service	451,033	0	0	451,033
Support services	0	264,885	0	264,885
Debt service	0	0	999,010	999,010
Total Expenditures	451,033	264,885	999,010	1,714,928
Excess (Deficiency) of Revenues Over Expenditures	109,390	(5,796)	133,767	237,361
Other Financing Sources (Uses)				
Operating transfer out	(34,252)	0	0	(34,252)
Net Change in Fund Balances	75,138	(5,796)	133,767	203,109
Fund Balances - Beginning of year	319,231	234,195	586,201	1,139,627
Fund Balances - End of year	$394,369	$228,399	$719,968	$1,342,736

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Food Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources:				
Food sales	$28,969	$36,032	$36,452	$420
Interest income	5,000	3,600	3,534	(66)
Total Local Sources	33,969	39,632	39,986	354
State Sources:				
Restricted grants	316,672	335,062	338,711	3,649
Federal Sources:				
Restricted grants	143,405	149,443	149,443	0
Commodities	24,032	36,048	32,283	(3,765)
Total Federal Sources	167,437	185,491	181,726	(3,765)
Total Revenues	518,078	560,185	560,423	238
Expenditures				
Food Services:				
Purchases services	195,172	198,960	198,867	93
Supplies and materials	263,778	264,978	249,203	15,775
Capital outlay	194,282	3,724	439	3,285
Other	2,800	3,315	2,524	791
Total Expenditures	656,032	470,977	451,033	19,944
Excess (Deficiency) of Revenue Over Expenditures	(137,954)	89,208	109,390	20,182
Other Financing Sources (Uses)				
Operating transfer out	0	(41,915)	(34,252)	7,663
Net Change in Fund Balances	(137,954)	47,293	75,138	27,845
Fund Balance - Beginning of year	356,699	319,231	319,231	0
Fund Balance - End of year	$218,745	$366,524	$394,369	$27,845

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Student and School Activity Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2026

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Sources:				
Student and school activities	$270,000	$285,000	$259,089	($25,911)
Expenditures				
Student and School Activities:				
Student and school activities	275,000	280,000	264,885	15,115
Net Change in Fund Balance	(5,000)	5,000	(5,796)	(10,796)
Fund Balance - Beginning of year	207,990	234,195	234,195	0
Fund Balance - End of year	$202,990	$239,195	$228,399	($10,796)

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

School Bond Debt Retirement Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources:				
Property taxes	$1,107,430	$1,115,974	$1,116,023	$49
Investment income	6,500	5,030	4,589	(441)
Total Local Sources	1,113,930	1,121,004	1,120,612	(392)
State Sources:				
State payment in lieu of tax	5,341	18,516	12,165	6,351
Total Revenues	1,119,271	1,139,520	1,132,777	5,959
Expenditures				
Debt service:				
Principal	515,000	515,000	515,000	0
Interest and fiscal charges	481,450	481,450	481,450	0
Other	2,550	2,550	2,560	(10)
Total Expenditures	999,000	999,000	999,010	(10)
Net Change in Fund Balances	120,271	140,520	133,767	5,949
Fund Balance - Beginning of year	583,678	586,201	586,201	0
Fund Balance - End of year	$703,949	$726,721	$719,968	$5,949

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Summary of 2025 Tax Levy
Year Ended June 30, 2026

	Millage Rate	Taxable Value	Levy
Whiteford Township			
General Fund operating - non-homestead	18.0000	$61,243,348	$1,102,380
General Fund operating - commercial	6.0000	5,602,128	33,613
2015 Debt Retirement	1.8200	286,017,223	520,551
2019 Debt Retirement	1.9300	286,017,223	552,013
			2,208,557
Summerfield Township			
General Fund operating - non-homestead	18.0000	343,794	6,188
2015 Debt Retirement	1.8200	2,350,076	4,277
2019 Debt Retirement	1.9300	2,350,076	4,536
			15,001
Riga Township			
General Fund operating - non-homestead	18.0000	679,628	12,233
General Fund operating - commercial	6.0000	731	4
2015 Debt Retirement	1.8200	9,378,192	17,068
2019 Debt Retirement	1.9300	9,378,192	18,100
			47,405
Total			$2,270,963
Summary			
General Fund operating - non-homestead		62,266,770	$1,120,801
General Fund operating - commercial		5,602,128	33,617
2015 Debt Retirement		297,745,491	541,896
2019 Debt Retirement		297,745,491	574,649
			$2,270,963

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Schedule of Technology Enhancement Millage
Budget and Actual
Year Ended June 30, 2026

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Technology enhancement millage	$493,551	$330,582	($162,969)
Expenditures			
Instruction:			
Salaries	57,486	56,363	1,123
Fringe benefits	38,278	37,887	391
Purchase services	14,860	14,771	89
Supplies	1,757	568	1,189
Capital outlay	170,317	170,314	3
Total Instruction	282,698	279,903	1,281
Support:			
Salaries	21,736	22,645	(909)
Fringe benefits	14,761	15,223	(462)
Purchase services	28,312	28,437	(125)
Supplies	108,781	4,265	104,516
Capital outlay	131,424	131,583	(159)
Other	28,243	28,815	(572)
Total Support	333,257	230,968	102,289
Total Expenditures	615,955	510,871	103,570
Net Change in Fund Balance	(122,404)	(180,289)	266,539
Restricted for Technology Enhancement:			
Fund Balance - Beginning of Year	174,859	163,086	(11,773)
Fund Balance - End of Year	$52,455	($17,203)	$254,766

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Schedule of Athletics
Budget and Actual
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources:				
Admissions	$64,796	$67,559	$67,459	($100)
Participation fees	39,500	35,855	35,955	100
Investment income	25	12	7	(5)
Contributions	0	96,000	100,500	4,500
Other	5,518	10,713	6,695	(4,018)
Total Local Sources	109,839	210,139	210,616	477
State Sources:				
Restricted grants	20,058	21,475	1,800	(19,675)
Total Revenues	$129,897	$231,614	$212,416	($19,198)
Expenditures				
Operations and maintenance:				
Security services				
Purchased services	$1,000	$260	$259	$1
Pupil Transportation:				
Salaries	9,095	6,153	6,154	(1)
Employee benefits	3,562	1,676	1,627	49
Athletics:				
Salaries	125,285	125,602	120,227	5,375
Employee benefits	74,912	77,051	73,513	3,538
Purchased services	167,107	176,678	173,173	3,505
Supplies and materials	10,418	11,197	7,275	3,922
Capital outlay	11,408	49,186	36,124	13,062
Other	6,334	6,554	6,740	(186)
Building acquisition and construction				
Capital outlay	0	90,646	93,719	(3,073)
Total Expenditures	$409,121	$545,003	$518,811	$26,192

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Schedule of Expenditures of Federal Awards
June 30, 2026

Federal Grantor Pass Through Grantor Program Title	Grant Number	Federal AL Number	Approved Grant Award Amount
U.S. Department of Agriculture			
Child Nutrition Cluster:			
Cash Assistance:			
School Breakfast Program	251970	10.553	$26,896
School Breakfast Program	261970	10.553	25,023
			51,919
National School Lunch Program	251960	10.555	112,668
National School Lunch Program	261960	10.555	106,852
			219,520
Total Cash Assistance			271,439
Noncash Assistance (Commodities)			
National Lunch Program:			
Entitlement Commodities		10.555	36,048
Total Child Nutrition Cluster:			307,487
Total U.S. Department of Agriculture			307,487
U.S. Department of Education			
Passed Through State of Michigan Department of Education:			
Title I, Part A - Improving Basic Programs	251530-2425	84.010	18,857
Title I, Part A - Improving Basic Programs	261530-2526	84.010	40,869
			59,726
Title II, Part A - Supporting Effective Instruction	250520-2425	84.367	9,753
Title II, Part A - Supporting Effective Instruction	260520-2526	84.367	10,083
			19,836
Title IV, Part A - SSAE	250750-2425	84.424	10,000
Title IV, Part A - SSAE	260750-2526	84.424	10,000
			20,000
Total Passed Through State of Michigan Department of Education			99,562
Passed Through Monroe County Intermediate School District:			
Homeless Students' Assistance	262420-2526	84.196A	276
Total U.S. Department of Education			99,838

The accompanying notes are an intregal part of this Schedule.

Accrued (Deferred) Revenue July 1, 2025	Prior Year Expenditures (Memo Only)	Current Year Expenditures	Federal Funds/ Payments In-kind (Cash Basis)	Accrued (Deferred) Revenue June 30, 2026
$0	$23,700	$3,196	$3,196	$0
0	0	25,023	25,023	0
0	23,700	28,219	28,219	0
0	98,296	14,372	14,372	0
0	0	106,852	106,852	0
0	98,296	121,224	121,224	0
0	121,996	149,443	149,443	0
0	20,377	32,283	32,283	0
0	142,373	181,726	181,726	0
0	142,373	181,726	181,726	0
0	18,857	0	0	0
0	0	40,869	40,869	0
0	18,857	40,869	40,869	0
0	9,753	0	0	0
0	0	10,083	10,083	0
0	9,753	10,083	10,083	0
0	10,000	0	0	0
0	0	10,000	10,000	0
0	10,000	10,000	10,000	0
0	38,610	60,952	60,952	0
0	0	276	276	0
0	38,610	61,228	61,228	0

WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Schedule of Expenditures of Federal Awards
June 30, 2026

Federal Grantor Pass Through Grantor Program Title Grant Number		Federal AL Number	Approved Grant Award Amount
U.S. Department of Treasury			
Passed Through State of Michigan Department of Education:			
Healthy Hydration Filter First	242426-FFHH24	21.027	$6,067
U.S. Department of Health and Human Services			
Medicaid Cluster			
Passed Through Monroe County Intermediate School District:			
Medical Assistance Program		93.778	5,821
Total Federal Financial Assistance			$419,213

The accompanying notes are an intregal part of this Schedule.

Accrued (Deferred) Revenue July 1, 2025	Prior Year Expenditures (Memo Only)	Current Year Expenditures	Federal Funds/ Payments In-kind (Cash Basis)	Accrued (Deferred) Revenue June 30, 2026
$0	$0	$6,067	$0	$6,067
0	4,708	5,826	5,826	0
$0	$185,691	$254,847	$248,780	$6,067

WHITEFORD AGRICULTURAL SCHOOL DISTRICT
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2026

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Whiteford Agricultural School District under programs of the federal government for the year ended June 30, 2026. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Whiteford Agricultural School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Whiteford Agricultural School District.

2. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as a reimbursement. Cash received is recorded on a cash basis. Revenues are recognized when qualifying expenditures have been incurred and all grant requirements have been met.

3. Whiteford Agricultural School District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

4. The amounts reported on the Recipient Entitlement Balance Report, or PAL Report, agree with this schedule for USDA donated food commodities and are reported in the cash receipts column.

5. There were no federal awards expended for loan or loan guarantee programs.

6. Whiteford Agricultural School District does not have any subrecipients.

7. Management has utilized the Michigan Department of Education NexSys Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards. The following shows a reconciliation of current year receipts per the Schedule of Expenditures of Federal Awards to current payments per the GAR.

Agency total current payments per Michigan Department of Education Grant Auditor Report - (GAR) NexSys	$210,395
Additonal items not on NexSys report:	
Non-cash assistance USDA Commodities	32,283
Passsed through Monroe County Intermediate School District:	
Homeless Students' Assistance	276
Medicaid Outreach	5,826
Total current year receipts (cash basis) per the schedule of expenditures of federal awards (SEFA)	$248,780

8. Reconciliation to the Financial Statements:

General Fund	$110,672
Special Revenue Fund:	
Food Service Fund	181,726
Total Federal Revenues	292,398
Federal sources received not subject to the Uniform Guidance:	
E-Rate Funding (FCC)	(37,551)
Total expenditures per the Awards	$254,847

CALKINS HEHL RAFKO
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Education
Whiteford Agricultural Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Whiteford Agricultural School District for the year ended June 30, 2026, and have issued our report thereon dated October 29, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 16, 2026, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of Whiteford Agricultural School District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding material weaknesses and other matters noted during our audit in a separate letter to you dated October 29, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- Cash disbursements
- Cash receipts
- Improper revenue recognition
- Management override of controls
- Federal grant compliance

Qualitative Aspects of Whiteford Agricultural School District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Mason Consolidated Schools is included in Note 2 to the financial statements. Mason Consolidated Schools adopted adopted GASB 103, *Financial Reporting Model Improvements* and GASB 104, *Diclosures of Certain Capital Assets* during the year ended June 30, 2026. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the useful lives of depreciable capital assets based on the length of time those assets will provide economic benefit in the future.

Management's estimate of the accrued compensated absences is based on formulas and conditions specified in various contracts regarding vacation and sick leave benefits.

Management's estimates of the pension and OPEB liabilities, deferred inflows of resources, and deferred outflows of resources, which are based on actuarial valuations and other financial data. We have evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of pension and OPEB information in Notes 8 and 9, respectively, to the financial statements because of assumptions used in the calculations of these liabilities.

We have evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Whiteford Agricultural School District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Whiteford Agricultural School District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Whiteford Agricultural School District's auditors.

This report is intended solely for the information and use of Whiteford Agricultural School District, and the management of Whiteford Agricultural School District, and is not intended to be and should not be used by anyone other than these specified parties.

Callins Hehl Rayes

October 29, 2026