Wayne-Westland Community Schools

Financial Statements

June 30, 2026



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BUSINESS SUCCESS PARTNERS

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Independent Auditors' Report

Management and the Board of Education
Wayne-Westland Community Schools
Westland, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne-Westland Community Schools, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Wayne-Westland Community Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne-Westland Community Schools, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, during the year ended June 30, 2026, Wayne-Westland Community Schools adopted new accounting guidance, GASB Statement No. 103, *Financial Reporting Model Improvements,* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability (asset), schedule of the school district's OPEB contributions,

and notes to the required supplementary information 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wayne-Westland Community Schools' basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information, as identified in the table of contents, other than the prior year 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, other than the prior year information, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2026 on our consideration of Wayne-Westland Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Wayne-Westland Community Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayne-Westland Community Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Ann Arbor, Michigan
October 15, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Wayne-Westland Community Schools financially as a whole. The district-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds; the General Fund, Special Education Fund, Federal, State, and Local Grant Programs Fund, and 2026 Building and Site Fund with all other funds presented in one column as nonmajor funds.

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to the Basic Financial Statements

Required Supplemental Information

Budgetary Comparison Schedule – General Fund

Budgetary Comparison Schedule – Major Special Revenue Fund

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

Schedule of Pension Contributions

Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability

Schedule of OPEB Contributions

Notes to the Required Supplementary Information

Other Supplemental Information

Overview of the Financial Statements

The School District as a Whole – District-wide Financial Statements

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

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

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

Reporting the School District's Fund Financial Statements

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

Governmental Funds

Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can

be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

The School District as a Whole

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

Governmental Activities - Summarized Statement of Financial Position

	2026	2025
Current and other assets	$ 155,350,742	$ 149,650,478
Capital assets, net	221,082,156	226,345,435
Total assets	376,432,898	375,995,913
Deferred outflows	74,929,005	99,092,518
Current liabilities	35,568,349	61,031,988
Noncurrent liabilities	139,667,887	125,758,151
Net pension liability	177,565,254	226,138,107
Total liabilities	352,801,490	412,928,246
Deferred inflows	126,152,100	126,963,690
Net position		
Invested in capital assets, net of related debt	105,427,283	114,355,837
Restricted for food service	803,858	-
Restricted for debt service	5,737,342	3,959,919
Restricted for capital projects	10,097,926	87,821
Restricted for net OPEB asset	57,568,134	38,821,988
Unrestricted	(207,226,230)	(222,029,070)
Total net position	$ (27,591,687)	$ (64,803,505)

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was a deficit of $27,591,687 at June 30, 2026. Net investment in capital assets totaling $105,427,283 compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position is an unrestricted deficit of $207,226,230.

Other changes are as follows: Current and other assets increased by $5,700,264, or 4%, in the current year, which was largely attributed to the increase in prepaid expenses and state aid receivable which was received in July and August of 2026. Concurrently, current liabilities decreased by $25,463,639, or 42%, related to the state aid anticipation note that was payable back to the State in the prior year. Amounts due back to the State were paid in full in 2026 (see Note 8). The change in net pension liability relates to the state-managed retirement system, which decreased by $48,572,853, or 21%. The $207,226,230 in unrestricted net deficit of governmental activities represents the accumulated results of all past years' operations.

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

Governmental Activities - Summarized Statement of Activities

	2026	2025
Revenue		
Program revenue		
Charges for services	$ 2,124,776	$ 1,800,359
Operating grants and contributions	108,045,333	106,333,938
General revenue		
Property taxes	36,284,348	33,944,959
State school aid	71,492,526	70,677,317
Other	2,717,501	5,633,497
Total revenue	220,664,484	218,390,070
Expenses		
Instruction	95,002,164	91,389,541
Supporting services	76,221,007	78,511,802
Food services	6,970,095	7,955,640
Community services	834,667	600,484
Other	4,424,733	4,706,540
Total expenses	183,452,666	183,164,007
Increase (decrease) in net position	37,211,818	35,226,063
Net position (deficit) - beginning of year	(64,803,505)	(97,582,041)
Cumulative effect of change in accounting	-	(2,447,527)
Net position (deficit) - beginning of year	(64,803,505)	(100,029,568)
Net position (deficit) - end of year	$ (27,591,687)	$ (64,803,505)

As reported in the statement of activities, the cost of all of our governmental activities this year was $183,452,666. Certain activities were partially funded from those who benefited from the programs ($2,124,776) or by other governments and organizations that subsidized certain programs with grants and contributions ($108,045,333). Operating grants and contributions increased by $1,711,395 in the current year primarily related to the receipt of the Filter First Grant, 31AA Grant and increase in the at risk funding. We paid for the remaining public benefit portion of our governmental activities with $36,284,348 in taxes, $71,492,526 in state foundation allowance, and other revenue (i.e., interest and general entitlements). The School District experienced an increase in net position of $37,211,818. Key reasons for the change in net position are the pension and OPEB adjustments related to GASB 68 and 75 and the School District's investment in capital assets (offset with the current year depreciation). As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

Detailed Analysis, Major Funds

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

As the School District completed this year, the governmental funds reported a combined fund balance of $63,113,367, which is an increase of $13,183,410 from last year.

The fund balance in the General Fund decreased by $7,796,370, or 23%. The main reason for this decrease is due to a loss of over 300 students and thus, a reduction in state revenue. Additionally, there was an increase in costs related to transportation and building maintenance that contributed to the General Fund balance decrease. The fund balance in the Federal, State, and Local Grant Programs Fund remained unchanged from last year. The fund balance in the Special Education Fund decreased by $696,293, or 100%. The change in fund balance is related to deferred inflows of resources recognized in the current year that were deferred in the preceding year. The fund balance in the 2026 Building and Site Fund increased $18,066,463, or 100%, due to the new bond in the current year.

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in June 2026. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information of these financial statements. There were significant revisions made to the 2025-2026 original budget. Budgeted revenue was decreased by $768,491 due in part to a decrease in state revenue sources. Additionally, local revenue experienced an increase from property tax revenue. Budgeted expenditures were increased by $7,066,021 in the final budget due to a projected increase in operations/maintenance, transportation, and support services. The Federal, State, and Local Grant Programs Fund

budgeted revenue increased by $1,817,567 due to additional state source revenue. The increase in budgeted expense of $3,120,594 primarily relates to additional expenditures that were approved by WCRESA during the year.

Capital Assets and Long-Term Debt

Capital Assets

As of June 30, 2026, the School District had $221,082,156 invested in a broad range of capital assets, including land, construction in progress, buildings and improvements, buses and other vehicles, furniture and equipment, and land improvements. This represents a net decrease (including additions, construction in progress, disposals, and depreciation) of $5,263,279 from 2025 to 2026.

	2026	2025
Land	$ 1,213,987	$ 1,213,987
Construction-in-progress	1,011,731	26,179,738
Buildings and additions	192,784,357	173,521,870
Equipment and furniture	18,207,820	16,468,073
Buses and other vehicles	4,007,282	4,770,797
Land improvements	3,856,979	4,190,970
	$ 221,082,156	$ 226,345,435

This year's disposals of $1,530,150 included buses, a dump truck, a tractor, technology, and land improvements. Several major capital projects were completed in the 2025-2026 fiscal year as the 2019 bond closed out and bottled filter stations were installed in all of our facilities as required by law. These were completely funded by grant funds. These projects related to approximately $32,320,314 additions during the year. We present more detailed information about our capital assets in the notes to the financial statements.

Long-Term Debt

At the end of this year, the School District had $123,370,000 in bonds outstanding versus $110,860,000 in the previous year.

Other obligations include compensated absences, early termination incentive obligations, and workers' compensation. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Currently Known Facts, Decisions, or Conditions

The School District has been awarded a $12 million dollar grant to decrease class size. This will be paid over the next three years. The initial payment was received on our August 2026 State Aid payment.

Factors Bearing on the School District's Future

Our elected officials and administration consider many factors when setting the School District's 2026-2027 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2026-2027 budget was adopted in June 2026 based on an estimate of students who will enroll in September 2026. As a result, district funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2026 school year, we anticipate that the fall student count will be close to the estimates used in creating the 2027 budget. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

- The blended count will be 10 percent and 90 percent of the February 2026 and October 2026 student counts respectively.
- The School District employees are represented by the MEA which includes teachers, secretaries, para-pros, bus drivers, food service, custodians and maintenance staff. The professional staff and principals are represented by their associations. The teachers and principals' contracts end in 2026-2027.
- Sinking Funds can now be used to purchase vehicles and buses as approved in August 2026. Bond funds will be used to improve the School District's facilities during the 2026-2027 school year such as roofs and parking lots.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, 36745 Marquette St, Westland, Michigan 48185.

BASIC FINANCIAL STATEMENTS

Wayne-Westland Community Schools
Statement of Net Position
June 30, 2026

	Governmental Activities
Assets	
Cash	$ 62,415,873
Taxes receivable	1,870
Accounts receivable	2,110,209
Due from other governmental units	30,369,599
Inventory	163,098
Prepaid items	2,721,959
Capital assets not being depreciated	2,225,718
Capital assets - net of accumulated depreciation	218,856,438
Net OPEB asset	57,568,134
Total assets	376,432,898
Deferred Outflows of Resources	
Deferred amount relating to the net pension liability	61,628,791
Deferred amount relating to the net OPEB asset	13,300,214
Total deferred outflows of resources	74,929,005
Liabilities	
Accounts payable	2,565,118
Due to other governmental units	1,679,236
Payroll deductions and withholdings	2,592,598
Accrued expenditures	1,191,714
Accrued salaries payable	18,155,107
Unearned revenue	9,384,576
Long-term liabilities	
Net pension liability	177,565,254
Due within one year	9,810,000
Due in more than one year	129,857,887
Total liabilities	352,801,490

See Accompanying Notes to the Financial Statements

Wayne-Westland Community Schools
Statement of Net Position
June 30, 2026

	Governmental Activities
Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	76,913,598
Deferred amount relating to the net OPEB asset	49,238,502
Total deferred inflows of resources	126,152,100
Net Position	
Net investment in capital assets	105,427,283
Restricted for	
Food service	803,858
Debt service	5,737,342
Capital projects	10,097,926
Net OPEB asset	57,568,134
Unrestricted	(207,226,230)
Total net position	$ (27,591,687)

See Accompanying Notes to the Financial Statements

Wayne-Westland Community Schools
Statement of Activities
For the Year Ended June 30, 2026

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Governmental activities				
Instruction	$ 95,002,164	$ 1,778,593	$ 57,816,097	$ (35,407,474)
Supporting services	76,221,007	99,138	41,052,140	(35,069,729)
Food services	6,970,095	247,045	8,308,953	1,585,903
Community services	834,667	-	868,143	33,476
Interest and fiscal charges on long-term debt	4,424,733	-	-	(4,424,733)
Total governmental activities	$ 183,452,666	$ 2,124,776	$ 108,045,333	(73,282,557)
General revenues				
Property taxes, levied for general purposes				21,689,309
Property taxes, levied for debt service				11,975,551
Property taxes, levied for sinking fund				2,619,488
State aid - unrestricted				71,492,526
Interest and investment earnings				2,266,316
Other				451,185
Total general revenues				110,494,375
Change in net position				37,211,818
Net position - beginning				(64,803,505)
Net position - ending				$ (27,591,687)

See Accompanying Notes to the Financial Statements

Wayne-Westland Community Schools
Governmental Funds
Balance Sheet
June 30, 2026

	General Fund	Federal, State, and Local Grant Programs Fund	Special Education Fund	2026 Building and Site Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash	$ 28,252,249	$ -	$ -	$ 16,380,417	$ 17,783,207	$ 62,415,873
Taxes receivable	1,870	-	-	-	-	1,870
Accounts receivable	1,193,192	-	675,948	-	241,069	2,110,209
Due from other funds	185,050	8,260,718	2,738,283	1,729,304	1,090,399	14,003,754
Due from other governmental units	26,573,866	3,795,733	-	-	-	30,369,599
Inventory	56,912	-	-	-	106,186	163,098
Prepaid items	2,447,365	-	-	-	274,594	2,721,959
Total assets	$ 58,710,504	$ 12,056,451	$ 3,414,231	$ 18,109,721	$ 19,495,455	$ 111,786,362
Liabilities						
Accounts payable	$ 1,015,283	$ 809,547	$ 527,580	$ 43,258	$ 169,450	$ 2,565,118
Due to other funds	13,818,704	-	-	-	185,050	14,003,754
Due to other governmental units	1,679,236	-	-	-	-	1,679,236
Payroll deductions and withholdings	2,592,598	-	-	-	-	2,592,598
Accrued expenditures	82,056	-	198,810	-	11,740	292,606
Accrued salaries payable	13,553,743	2,503,797	2,046,372	-	51,195	18,155,107
Unearned revenue	-	8,743,107	641,469	-	-	9,384,576
Total liabilities	32,741,620	12,056,451	3,414,231	43,258	417,435	48,672,995

See Accompanying Notes to the Financial Statements

Wayne-Westland Community Schools
Governmental Funds
Balance Sheet
June 30, 2026

	General Fund	Federal, State, and Local Grant Programs Fund	Special Education Fund	2026 Building and Site Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances						
Non-spendable						
Inventory	56,912	-	-	-	106,186	163,098
Prepaid items	2,447,365	-	-	-	274,594	2,721,959
Restricted for						
Food service	-	-	-	-	803,858	803,858
Debt service	-	-	-	-	6,636,450	6,636,450
Capital projects	-	-	-	18,066,463	10,097,926	28,164,389
Committed	-	-	-	-	1,159,006	1,159,006
Unassigned	23,464,607	-	-	-	-	23,464,607
Total fund balances	25,968,884	-	-	18,066,463	19,078,020	63,113,367
Total liabilities and fund balances	$ 58,710,504	$ 12,056,451	$ 3,414,231	$ 18,109,721	$ 19,495,455	$ 111,786,362

See Accompanying Notes to the Financial Statements

Wayne-Westland Community Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2026

Total fund balances for governmental funds	$ 63,113,367
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	2,225,718
Capital assets - net of accumulated depreciation	218,856,438
Net OPEB asset is not recorded as an asset in the governmental funds	57,568,134
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from the net pension liability	61,628,791
Deferred outflows of resources resulting from the net OPEB liability asset	13,300,214
Deferred inflows of resources resulting from the net pension liability	(76,913,598)
Deferred inflows of resources resulting from the net OPEB liability asset	(49,238,502)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(899,108)
Early termination benefits and workers' compensation	(2,691,723)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability	(177,565,254)
Compensated absences	(3,254,828)
Bonds payable	(133,721,336)
Net position of governmental activities	$ (27,591,687)

See Accompanying Notes to the Financial Statements

Wayne-Westland Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2026

	General Fund	Federal, State, and Local Grant Programs Fund	Formerly Nonmajor Fund Special Education Fund	2026 Building and Site Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Local sources	$ 27,391,106	$ 133,334	$ -	$ 169,518	$ 16,549,453	$ 44,243,411
State sources	103,755,147	14,682,957	10,009,814	-	1,123,811	129,571,729
Federal sources	402,697	13,280,399	-	-	7,802,515	21,485,611
Interdistrict sources	9,342,225	3,089,523	13,596,274	-	-	26,028,022
Total revenues	140,891,175	31,186,213	23,606,088	169,518	25,475,779	221,328,773
Expenditures						
Current						
Education						
Instruction	85,034,196	15,486,182	12,109,134	-	-	112,629,512
Supporting services	64,211,749	16,057,895	8,602,990	-	1,317,214	90,189,848
Food services	-	8,848	86	-	8,291,527	8,300,461
Community services	301,558	865,700	-	-	-	1,167,258
Capital outlay	238,535	29,449	1,270,327	1,971,395	1,412,756	4,922,462
Debt service						
Principal	-	-	-	-	6,200,000	6,200,000
Interest and other expenditures	-	-	-	200,668	4,604,162	4,804,830
Total expenditures	149,786,038	32,448,074	21,982,537	2,172,063	21,825,659	228,214,371
Excess (deficiency) of revenues over expenditures	(8,894,863)	(1,261,861)	1,623,551	(2,002,545)	3,650,120	(6,885,598)

See Accompanying Notes to the Financial Statements

Wayne-Westland Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2026

	General Fund	Federal, State, and Local Grant Programs Fund	Formerly Nonmajor Fund Special Education Fund	2026 Building and Site Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)						
Proceeds from notes and loans	-	-	-	20,069,008	-	20,069,008
Transfers in	2,671,010	1,572,517	-	-	59,490	4,303,017
Transfers out	(1,572,517)	(310,656)	(2,319,844)	-	(100,000)	(4,303,017)
Total other financing sources (uses)	1,098,493	1,261,861	(2,319,844)	20,069,008	(40,510)	20,069,008
Net change in fund balances	(7,796,370)	-	(696,293)	18,066,463	3,609,610	13,183,410
Fund balances - beginning, as previously presented	33,765,254	-	-	-	16,164,703	49,929,957
Change within financial reporting entity (nonmajor to major fund)	-	-	696,293	-	(696,293)	-
Fund balances - beginning, as adjusted	33,765,254	-	696,293	-	15,468,410	49,929,957
Fund balances - ending	$ 25,968,884	$ -	$ -	$ 18,066,463	$ 19,078,020	$ 63,113,367

See Accompanying Notes to the Financial Statements

Wayne-Westland Community Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2026

Net change in fund balances - Total governmental funds	$ 13,183,410
Total change in net position reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are reported as revenue in the funds.	
Operating grants	(664,289)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation and amortization expense	(12,415,586)
Capital outlay	7,152,307
Expenses are recorded when incurred in the statement of activities.	
Interest	(101,364)
Early termination benefits and workers' compensation	(438,316)
Compensated absences	(83,873)
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 amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	48,572,853
Net change in deferrals of resources related to the net pension liability	(23,603,650)

See Accompanying Notes to the Financial Statements

Wayne-Westland Community Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2026

The statement of net position reports the net OPEB liability asset and deferred outflows of resources and deferred inflows related to the net OPEB liability asset and OPEB expense changes. However, the amount recorded on the governmental funds equals actual OPEB contributions.

Net change in net OPEB liability asset	18,746,146
Net change in deferrals of resources related to the net OPEB liability asset	251,727

Bond and note proceeds and leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.

Debt issued	(20,069,008)
Repayments of long-term debt	6,200,000
Amortization of premiums	481,461
Change in net position of governmental activities	$ 37,211,818

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Wayne-Westland Community Schools (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

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

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the district as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements

Major individual governmental funds are reported as separate columns in the 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 School District 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 government.

The School District reports the following major governmental funds:

General Fund - The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Federal, State, and Local Grant Programs Fund - The Federal, State, and Local Grant Programs Fund is used to record all revenue and expenditures of the local, state, and federal grants except for the Child Nutrition Cluster.

Special Education Fund - The Special Education Fund reports the activity of the School District's Center Program for Special Education of pupils from many districts around Wayne County. This program is partially funded from the Wayne County Act 18 tax revenues through the area intermediate school district, WCRESA.

2026 Building and Site Fund - The 2026 Building and Site Fund is used to record the proceeds from the issuance of the 2026 school building and site bond, an unlimited tax general obligation bond, and expenditures for building improvement projects.

Additionally, the School District reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Funds include the Milk and Hot Lunch Fund and Student Activities Fund.

Debt Service Funds – The 2019 Bond Fund is used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Capital Projects Fund – The Sinking Fund is used to record property tax revenue or other revenue and the disbursement of invoices specifically for acquiring equipment and building improvements.

Assets, Liabilities and Net Position or Equity

Receivables and Payables - Generally, outstanding amounts owed between funds are classified as "due from/to other funds." These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2026, the rates are as follows per $1,000 of assessed value.

General Fund	
Non-principal residence exemption	18.00000
Commercial personal property	6.00000
Debt Service Funds	4.48000
Sinking Fund	0.98040

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. 100% of the School District's tax roll lies within Wayne County.

Properties are assessed as of December 31, and the related property taxes become a lien on July 1 of the following year. Tax collections are forwarded to the School District as collected by the assessing municipalities through March 1, at which time they are considered delinquent and added to county tax rolls. Any delinquent taxes collected by the county are remitted to the School District by June 30. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Investments - Investments are stated at fair value. Certificates of deposit are stated at cost which approximates fair value.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are capitalized as prepaid items in both district-wide and fund financial statements.

Capital Assets - Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of $5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings (with 20 percent salvage value)	50
Building improvements (with 20 percent salvage value)	25
Land improvements	20
Buses and other vehicles	10
Furniture and other equipment	10

Deferred Outflows of Resources - A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities (assets) are deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities (assets) in the following year.

Compensated Absences - The liability for compensated absences reported in the government-wide statements consists of earned but unused accumulated annual sick leave benefits. The liability has been calculated based on leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise be paid in cash or settled through noncash means.

Termination Benefits - Termination benefits include certain incentive payments to employees upon separation from the School District. The benefit is based on a percentage of the employee's final salary and years for years of service at termination. Employees having 10 or more years of service in the School District who sever employment because of death, disability, or retirement, shall be paid an amount equal to 9 percent of their annual salary. The School District has concluded to measure based on the undiscounted total of estimated future benefit payments at current cost levels. In recording the liability, the School District multiplies the employee's current pay rate by the payout factor in effect as of the reporting date for each employee.

Long-term Obligations - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

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

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

Deferred Inflows of Resources - A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Deferred inflow for leases is related to leases receivable and is being amortized to recognize lease revenue in a systematic and rational manner over the term of the lease. Deferred amounts on bond refundings are included in the district-wide financials statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities (assets) are deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPSERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance - In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable - amounts that are not available in a spendable form.

Restricted - amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed - amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned - amounts intended to be used for specific purposes, as determined by the Board of Education. The Board of Education has granted the Chief Financial Officer the authority to assign funds. Residual amounts in governmental funds other

than the General Fund are automatically assigned by their nature.

Unassigned - all other resources; the remaining fund balances after non-spendable, restrictions, commitments, and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

The fund balance policy prescribes the minimum fund balance between 5 percent and 10 percent of the School District's operating expenditures in the General Fund. If a fund balance declines below the 5 percent to 10 percent range, it shall be recovered at a rate directed by the Board of Education.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Eliminations and Reclassifications
In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards
Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This Statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets 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.

Upcoming Accounting and Reporting Changes
Statement No. 105, *Subsequent Events*, establishes accounting and financial reporting standards for events or transactions that occur after the measurement date of the financial statements but before the date the financial statements are available to be issued. This Statement

distinguishes between events that provide additional evidence about conditions that existed at the date of the financial statements and events that provide evidence about conditions that did not exist at that date. Events that provide additional evidence about conditions existing at the financial statement date are recognized in the financial statements, whereas events that provide evidence about conditions arising after the financial statement date are not recognized but should be disclosed if they are essential for users' understanding of the financial statements. This Statement also clarifies the definition of the date the financial statements are available to be issued for disclosure purposes. This Statement is effective for the year ending June 30, 2027.

The School District is evaluating the impact that the above pronouncement will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Compliance - Bond Proceeds
The 2026 Building and Site Fund includes capital project activities funded with bonds. For this capital project, the School District has complied with the applicable provisions of Section 1351a of the Revised School Code. The fund is not yet considered substantially complete and a subsequent year audit is expected.

Compliance - Sinking Funds
The School District's Capital Projects Fund records capital project activities funded with Sinking Fund millage. For this fund, the School District has complied with the applicable provisions of Section 1212 of the Revised School Code.

Note 3 - Deposits and Investments

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	$ 25,721,211
Investments in securities, mutual funds, and similar vehicles	36,694,662
Total	$ 62,415,873

As of year end, the School District had the following investments:

Investment	Carrying Value	Rating	Rating Organization
MILAF+	$ 36,694,662	AAAm	S&P

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is discussed below.

As of June 30, 2026, the net asset value of the School District's investment in MILAF + Portfolio was $36,694,662. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the School District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustee's may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of $1.00 per share, however, there is no assurance that this objective will be achieved. The

exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

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.

Credit risk - 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 an office 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 has no investment policy that would further limit its investment choices.

Concentration of credit risk - The School District has no policy that would limit the amount that may be invested with any one issuer.

Custodial credit risk - deposits - In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year end, $62,166,762 of the School District's bank balance of $62,416,762 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk - investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year end, none of the School District's investments were exposed to custodial credit risk.

Note 4 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	$ 1,213,987	$ -	$ -	$ 1,213,987
Construction-in-progress	26,179,738	1,011,731	26,179,738	1,011,731
Total capital assets not being depreciated	27,393,725	1,011,731	26,179,738	2,225,718
Capital assets being depreciated				
Buildings and additions	298,825,347	28,139,532	-	326,964,879
Land improvements	23,252,622	138,678	182,803	23,208,497
Equipment and furniture	21,703,743	3,884,889	1,272,209	24,316,423
Buses and other vehicles	9,571,104	157,215	75,138	9,653,181
Total capital assets being depreciated	353,352,816	32,320,314	1,530,150	384,142,980
Less accumulated depreciation for				
Buildings and additions	125,303,477	8,877,045	-	134,180,522
Land improvements	19,061,652	472,669	182,803	19,351,518
Equipment and furniture	5,235,670	2,145,142	1,272,209	6,108,603
Buses and other vehicles	4,800,307	920,730	75,138	5,645,899
Total accumulated depreciation	154,401,106	12,415,586	1,530,150	165,286,542
Net capital assets being depreciated	198,951,710	19,904,728	-	218,856,438
Net capital assets	$ 226,345,435	$ 20,916,459	$ 26,179,738	$ 221,082,156

Depreciation expense of capital assets was charged to activities of the School District as follows:

Governmental activities	
Instruction	$ 6,580,261
Supporting services	5,214,546
Food services	496,623
Community services	124,156
Total governmental activities	$ 12,415,586

Note 5 - Capital Assets Held for Sale

As of June 30, 2026, the School District has two pieces of land that are capital assets held for sale reported in governmental activities. They have a historical cost of $1. The School District intends to sell these capital assets within the next year.

Note 6 - Interfund Receivables, Payables, and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
General Fund	Federal, State, and Local Grant Programs Fund	$ 8,260,718
General Fund	Special Education Fund	2,738,283
General Fund	2026 Building and Site Fund	1,729,304
General Fund	Nonmajor Funds	1,090,399
Nonmajor Funds	General Fund	185,050
		$ 14,003,754

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Interfund transfers consist of the following:

	Transfers Out				
	General Fund	Federal, State, and Local Grant Programs Fund	Special Ed Fund	Nonmajor Governmental Funds	Total
Transfers in					
General Fund	$ -	$ 251,166	$ 2,319,844	$ 100,000	$ 2,671,010
Federal, State, and Local Grant Programs Fund	1,572,517	-	-	-	1,572,517
Nonmajor governmental funds	-	59,490	-	-	59,490
	$ 1,572,517	$ 310,656	$ 2,319,844	$ 100,000	$ 4,303,017

These transfers were made to cover the costs of School District programs that were in excess of revenues generated from those activities.

Note 7 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Grant and categorical aid payments received prior to meeting all eligibility requirements	$ 9,384,576

Note 8 - State Aid Anticipation Note

The School District issues state aid anticipation notes in advance of state aid collections, depositing the proceeds in the General Fund. These notes are necessary because the School District receives state aid from October through the following August for its fiscal year ending June 30th. The School District is required to pledge 100% of their state school aid, October through August, or until the note is repaid, whichever is longer.

Short-term debt activity for the year was as follows:

	Beginning Balance	Repayments	Ending Balance
State aid anticipation note	$ 30,000,000	$ 30,000,000	$ -

Note 9 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to qualified bonds. Other long-term obligations include compensated absences, claims and judgments, termination benefits, and certain risk liabilities.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and notes payable					
General obligation bonds	$ 110,860,000	$ 18,710,000	$ 6,200,000	$ 123,370,000	$ 9,010,000
Premium on bonds	9,473,789	1,359,008	481,461	10,351,336	-
Total bonds payable	120,333,789	20,069,008	6,681,461	133,721,336	9,010,000
Other liabilities					
Compensated absences	3,170,955	83,873	-	3,254,828	700,000
Workers' compensation	347,466	75,060	-	422,526	-
Early termination benefits	1,905,941	363,256	-	2,269,197	100,000
Total other liabilities	5,424,362	522,189	-	5,946,551	800,000
Total	$ 125,758,151	$ 20,591,197	$ 6,681,461	$ 139,667,887	$ 9,810,000

For governmental activities, compensated absences and retirement incentives are primarily liquidated by the General Fund.

General obligation bonds payable at year end, consist of the following:

$64,770,000 2019 School Building and Site Bonds due in annual installments of $2,065,000 to $2,080,000 through November 1, 2043, interest at 3.25% to 4.00%	$ 37,235,000
$45,355,000 2022 School Building and Site Bonds due in annual installments of $495,000 to $2,420,000 through November 1, 2046, interest at 3.00% to 4.00%	34,210,000
$36,760,000 2023 School Building and Site Bonds due in annual installments of $160,000 to $5,925,000 through November 1, 2046, interest at 5.00% to 4.50%	33,215,000
$18,710,000 2026 School Building and Site Bonds due in annual installments of $245,000 to $4,400,000 through May 1, 2048, interest at 5.00%	18,710,000
Total general obligation bonded debt	$ 123,370,000

Future principal and interest requirements for bonded debt and direct borrowings and direct placements are as follows:

	Bonds	
Year Ending June 30,	Principal	Interest
2027	$ 9,010,000	$ 5,327,972
2028	5,415,000	4,823,387
2029	3,895,000	4,588,437
2030	4,035,000	4,405,712
2031	3,895,000	4,213,937
2032-2036	23,365,000	18,325,435
2037-2041	29,275,000	12,908,086
2042-2046	36,100,000	6,312,632
2047-2048	8,380,000	291,613
Total	$ 123,370,000	$ 61,197,211

The general obligation bonds are payable from the Debt Service Funds. As of year end, the fund had a balance of $6,636,450 to pay this debt. Future debt and interest will be payable from future tax levies.

Compensated Absences
The compensated absences liability of $3,254,828 at year end, has been calculated based on anticipated amounts of leave time that will either be used or paid out upon termination. The amount anticipated to be paid out over the next year is included within the amounts listed as due within one year.

Note 10 - Risk Management

The School District participates in a public entity risk pool through the School Employers Group. With the exception of unemployment described below, this program provides substantially all the insurance needs of the School District. The possibility of additional liabilities in excess of current year contributions exists, however, since the amounts are indeterminable and believed to be immaterial, no contingent liabilities or assets have been recognized on the School District's financial statements.

The School District is self-insured under the Michigan Worker's Disability Compensation Act. Workers' compensation excess insurance has been retained for the aggregate claims exceeding $600,000 for each annual policy period, to a maximum of $5,000,000. This excess insurance also applies to individual occurrences exceeding $600,000, with a statutory maximum for those individual occurrences. The expenditures for the year were $197,179.

Change in estimated liabilities for claims for workers' compensation for the year is as follows:

	2026	2025
Estimated liability at the beginning of the year	$ 347,466	$ 398,962
Estimated claims incurred including changes in estimates	286,293	46,017
Claim payments	(211,233)	(97,513)
Estimated liability end of year	$ 422,526	$ 347,466

For risk retention situations (other than commercial coverage or risk sharing pools), the School District estimates the liability for workers' compensation that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported.

Note 11 - Pension Plan

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 governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. 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 & 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 www.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.

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. The pension unfunded (overfunded) actuarial accrued liability as of the September 30, 2024 valuation will be 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 plan year ended September 30, 2025.

Pension Contribution Rates

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 $36,917,320 for the year ending 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 $177,565,254 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 0.8864 percent, which was a decrease of 0.0373 percent from its proportion measured as of September 30, 2024.

For the plan year ending September 30, 2025, the School District recognized pension expense of $14,779,214 for the measurement period. For the reporting period ending June 30, 2026, the School District recognized total pension contribution expense of $39,686,479.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	$ 6,877,612	$ (1,581,559)	$ 5,296,053
Changes of assumptions	6,373,326	(9,384,751)	(3,011,425)
Net difference between projected and actual earnings on pension plan investments	-	(42,434,294)	(42,434,294)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	12,357,237	(9,252,387)	3,104,850
Total to be recognized in future	25,608,175	(62,652,991)	(37,044,816)
School District contributions subsequent to the measurement date	36,020,616	(14,260,607)	21,760,009
Total	$ 61,628,791	$ (76,913,598)	$ (15,284,807)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2027. The School District will offset the contribution expense in the year ended June 30, 2027 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2026	$ 2,135,621
2027	(17,739,352)
2028	(16,060,376)
2029	(5,380,709)
	$ (37,044,816)

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 Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
  - Active: PubT-2010 Male and Female Employee Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

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 is 4.4524 years.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2025 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets
The long-term expected 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	21.0%	5.8%
Private Equity Pools	16.0	9.3
International Equity Pools	14.0	5.6
Fixed Income Pools	15.0	2.5
Real Estate and Infrastructure Pools	8.0	7.0
Absolute Return Pools	13.0	4.4
Real Return/Opportunistic Pools	9.0	7.0
Short Term Investment Pools	4.0	1.3
	100.0%	

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

Rate of Return
For the plan 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.

Discount Rate
A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.0% for the Pension Plus 2, 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 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 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, 6.0% 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	Current Single Discount Rate Assumption	1% Increase
5.00%	6.00%	7.00%
$ 280,207,765	$ 177,565,254	$ 92,077,182

Michigan Public School Employees' Retirement System (MPSERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public School Employees' Retirement System (MPSERS)

There were no significant payables to the pension plan that are not ordinary accruals to the School District.

Note 12 - 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 governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. 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 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 www.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 with 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.

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 OPEB 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. The OPEB unfunded (overfunded) actuarial accrued liability as of the September 30, 2024 valuation will be amortized over a 14-year period beginning October 1, 2024 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2025.

OPEB Contribution Rates

Benefit Structure	Member	Employer
Premium Subsidy	3.0%	1.25%
Personal Healthcare Fund (PHF)	0.0%	0.00%

Required contributions to the OPEB plan from the School District were $890,615 for the year ended September 30, 2025.

OPEB Liabilities or Assets, 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 $57,568,134 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2025 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2024. The School District's proportion of the net OPEB asset was determined by dividing each employer's 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 0.9470 percent, which was an increase of 0.0451 percent from its proportion measured as of September 30, 2024.

For the plan year ending September 30, 2025, the School District recognized OPEB expense of $(16,743,155) for the measurement

period. For the reporting period ending June 30, 2026, the School District recognized total OPEB contribution expense of $2,294,267.

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	Total
Difference between expected and actual experience	$ -	$ (39,413,873)	$ (39,413,873)
Changes of assumptions	7,683,085	(610,561)	7,072,524
Net difference between projected and actual earnings on OPEB plan investments	-	(8,089,578)	(8,089,578)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	3,393,922	(1,124,490)	2,269,432
Total to be recognized in future	11,077,007	(49,238,502)	(38,161,495)
School District contributions subsequent to the measurement date	2,223,207	-	2,223,207
Total	$ 13,300,214	$ (49,238,502)	$ (35,938,288)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as an addition to the net OPEB asset 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 during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
2026	$ (9,928,225)
2027	(9,753,583)
2028	(9,259,836)
2029	(6,249,023)
2030	(2,288,173)
Thereafter	(682,655)
	$ (38,161,495)

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: 6.95% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: Pre-65: 7.75% Year 1 graded to 3.5% Year 15; Post-65: 6.25% Year 1 graded to 3.5% Year 15;

- Mortality:
  - Retirees: PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
  - Active: PubT-2010 Male and Female Employee Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Other Assumptions:

- Opt Out Assumption: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

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 is 6.4654 years.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2025 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.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:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	16.0 %	5.8%
Private Equity Pools	16.0	9.3
International Equity Pools	11.0	5.6
Fixed Income Pools	26.0	2.5
Real Estate and Infrastructure Pools	5.0	7.0
Absolute Return Pools	15.0	4.4
Real Return/Opportunistic Pools	7.0	7.0
Short Term Investment Pools	4.0	1.3
	100.0%	

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

Rate of Return

For the plan 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 6.95% 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 6.95%. 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 Liability or Asset to Changes in the Discount Rate
The following presents the School District's proportionate share of the net OPEB liability or asset calculated using the discount rate of 6.95%, as well as what the School District's proportionate share of the net OPEB liability or asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
$ (49,598,590)	$ (57,568,134)	$ (64,543,212)

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability or Asset to Healthcare Cost Trend Rate
The following presents the School District's proportionate share of the net OPEB liability or asset calculated using assumed trend rates, as well as what the School District's proportionate share of net OPEB liability or asset 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
$ (64,479,564)	$ (57,568,134)	$ (50,311,360)

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

Payables to the OPEB Plan
There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 13 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2026.

Note 14 - Tax Abatements

There are no significant abatements made by the School District.

Note 15 - Changes within Financial Reporting Entity

During the year ended June 30, 2026, a fund that was previously reported as non-major in the prior year was required to be presented as major in the current year. As a result the following presentation change was necessary to be made in the financial statements:

	Special Education Fund	Nonmajor Governmental Funds
Fund balance at June 30, 2025, as previously reported	$ -	$ 16,164,703
Adjustments		
Change from nonmajor to major fund	696,293	(696,293)
Adjusted fund balance at June 30, 2025	$ 696,293	$ 15,468,410

REQUIRED SUPPLEMENTARY INFORMATION

Wayne-Westland Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance With Original Budget- Over (Under) Final Budget	Actual	Variance with Final Budget- Over (Under) Actual
	Original	Final			
Revenues					
Local sources	$ 22,589,451	$ 26,904,076	$ 4,314,625	$ 27,391,106	$ 487,030
State sources	109,803,238	104,450,803	(5,352,435)	103,755,147	(695,656)
Federal sources	160,816	331,000	170,184	402,697	71,697
Interdistrict sources	8,280,916	8,380,051	99,135	9,342,225	962,174
Total revenues	140,834,421	140,065,930	(768,491)	140,891,175	825,245
Expenditures					
Instruction					
Basic programs	66,070,736	66,129,229	58,493	65,636,937	(492,292)
Added needs	17,831,681	19,762,597	1,930,916	19,397,259	(365,338)
Adult and continuing education	27,000	-	(27,000)	-	-
Supporting services					
Pupil	9,859,524	9,717,283	(142,241)	9,968,769	251,486
Instructional staff	5,496,118	4,996,118	(500,000)	4,487,846	(508,272)
General administration	2,737,068	2,737,068	-	2,586,836	(150,232)
School administration	8,109,212	9,012,568	903,356	9,003,447	(9,121)
Business	1,633,066	2,520,007	886,941	2,357,308	(162,699)
Operations and maintenance	16,691,875	17,993,735	1,301,860	18,634,265	640,530
Pupil transportation services	7,090,172	8,591,730	1,501,558	9,351,515	759,785
Central	5,027,227	5,924,211	896,984	5,324,909	(599,302)
Athletic activities	2,211,772	2,354,013	142,241	2,496,854	142,841
Community services	116,000	302,000	186,000	301,558	(442)
Capital outlay	379,020	305,933	(73,087)	238,535	(67,398)
Total expenditures	143,280,471	150,346,492	7,066,021	149,786,038	(560,454)

See Accompanying Notes to the Required Supplementary Information

Wayne-Westland Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance With Original Budget- Over (Under)		Variance with Final Budget- Over (Under)
	Original	Final	Final Budget	Actual	Actual
Excess (deficiency) of revenues over expenditures	(2,446,050)	(10,280,562)	(7,834,512)	(8,894,863)	1,385,699
Other Financing Sources (Uses)					
Transfers in	2,948,981	2,806,290	(142,691)	2,671,010	(135,280)
Transfers out	(400,000)	(1,575,000)	(1,175,000)	(1,572,517)	2,483
Total other financing sources (uses)	2,548,981	1,231,290	(1,317,691)	1,098,493	(132,797)
Net change in fund balances	102,931	(9,049,272)	(9,152,203)	(7,796,370)	1,252,902
Fund balance - beginning	33,765,254	33,765,254	-	33,765,254	-
Fund balance - ending	$ 33,868,185	$ 24,715,982	$ (9,152,203)	$ 25,968,884	$ 1,252,902

See Accompanying Notes to the Required Supplementary Information

Wayne-Westland Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - Federal, State, and Local Grant Programs Fund
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance With Original Budget- Over (Under) Final Budget	Actual	Variance with Final Budget- Over (Under) Actual
	Original	Final			
Revenues					
Local sources	$ 316,506	$ 225,148	$ (91,358)	$ 133,334	$ (91,814)
State sources	14,848,633	20,882,214	6,033,581	14,682,957	(6,199,257)
Federal sources	20,748,188	16,646,147	(4,102,041)	13,280,399	(3,365,748)
Interdistrict sources	3,456,182	3,433,567	(22,615)	3,089,523	(344,044)
Total revenues	39,369,509	41,187,076	1,817,567	31,186,213	(10,000,863)
Expenditures					
Instruction					
Basic programs	8,253,725	7,274,442	(979,283)	7,594,574	320,132
Added needs	9,176,952	10,826,351	1,649,399	7,891,608	(2,934,743)
Supporting services					
Pupil	6,842,143	11,367,141	4,524,998	7,234,721	(4,132,420)
Instructional staff	9,289,128	7,075,733	(2,213,395)	5,080,360	(1,995,373)
General administration	73,836	102,817	28,981	104,460	1,643
School administration	400,000	-	(400,000)	-	-
Operations and maintenance	2,239,121	2,942,466	703,345	2,922,690	(19,776)
Pupil transportation services	1,091,052	541,818	(549,234)	460,145	(81,673)
Central	306,543	469,103	162,560	251,710	(217,393)
Athletic activities	71,423	12,474	(58,949)	3,809	(8,665)
Food services	-	-	-	8,848	8,848
Community services	1,432,059	1,726,782	294,723	865,700	(861,082)
Capital outlay	72,000	29,449	(42,551)	29,449	-
Total expenditures	39,247,982	42,368,576	3,120,594	32,448,074	(9,920,502)

See Accompanying Notes to the Required Supplementary Information

Wayne-Westland Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - Federal, State, and Local Grant Programs Fund
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance With Original Budget- Over (Under)		Variance with Final Budget- Over (Under)
	Original	Final	Final Budget	Actual	Actual
Excess (deficiency) of revenues over expenditures	121,527	(1,181,500)	(1,303,027)	(1,261,861)	(80,361)
Other Financing Sources (Uses)					
Transfers in	400,000	1,575,000	1,175,000	1,572,517	(2,483)
Transfers out	(521,527)	(393,500)	128,027	(310,656)	82,844
Total other financing sources (uses)	(121,527)	1,181,500	1,303,027	1,261,861	80,361
Net change in fund balances	-	-	-	-	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	$ -	$ -	$ -	$ -	$ -

See Accompanying Notes to the Required Supplementary Information

Wayne-Westland Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - Special Education Fund
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance With Original Budget- Over (Under) Final Budget	Actual	Variance with Final Budget- Over (Under) Actual
	Original	Final			
Revenues					
State sources	$ 8,795,975	$ 10,210,897	$ 1,414,922	$ 10,009,814	$ (201,083)
Interdistrict sources	11,239,813	14,700,258	3,460,445	13,596,274	(1,103,984)
Total revenues	20,035,788	24,911,155	4,875,367	23,606,088	(1,305,067)
Expenditures					
Current					
Education					
Instruction	10,090,520	12,094,860	2,004,340	12,109,134	14,274
Supporting services	7,809,417	9,024,012	1,214,595	8,602,990	(421,022)
Food services	-	-	-	86	86
Capital outlay	856,432	1,389,883	533,451	1,270,327	(119,556)
Total expenditures	18,756,369	22,508,755	3,752,386	21,982,537	(526,218)
Excess (deficiency) of revenues over expenditures	1,279,419	2,402,400	1,122,981	1,623,551	(778,849)
Other Financing Sources (Uses)					
Transfers out	(1,975,712)	(2,402,400)	(426,688)	(2,319,844)	82,556
Net change in fund balances	(696,293)	-	696,293	(696,293)	(696,293)
Fund balance - beginning	696,293	696,293	-	696,293	-
Fund balance - ending	$ -	$ 696,293	$ 696,293	$ -	$ (696,293)

See Accompanying Notes to the Required Supplementary Information

Wayne-Westland Community Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
A. School District's proportion of the net pension liability (%)	0.88640%	0.92369%	0.89539%	0.82743%	0.79823%	0.77490%	0.75239%	0.78147%	0.79252%	0.79846%
B. School District's proportionate share of the net pension liability	$ 177,565,254	$ 226,138,107	$ 289,802,638	$ 311,187,567	$ 188,984,394	$ 266,187,428	$ 249,167,513	$ 234,923,827	$ 205,376,286	$ 199,209,317
C. School District's covered payroll	$ 96,555,983	$ 94,746,832	$ 93,800,432	$ 81,431,906	$ 71,993,271	$ 70,936,312	$ 64,684,563	$ 66,155,580	$ 66,346,717	$ 67,182,765
D. School District's proportionate share of the net pension liability as a percentage of its covered payroll	183.90%	238.68%	308.96%	382.14%	262.50%	375.25%	385.20%	355.11%	309.55%	296.52%
E. Plan fiduciary net position as a percentage of total pension liability	79.44%	74.44%	65.91%	60.77%	72.32%	59.49%	60.08%	62.12%	63.96%	63.01%

See Accompanying Notes to the Required Supplementary Information

Wayne-Westland Community Schools
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
A. Statutorily required contributions	$ 39,686,479	$ 38,622,813	$ 39,771,833	$ 40,904,345	$ 27,707,064	$ 24,236,699	$ 21,452,805	$ 20,200,490	$ 20,157,276	$ 19,248,704
B. Contributions in relation to statutorily required contributions	39,686,479	38,622,813	39,771,833	40,904,345	27,707,064	24,236,699	21,452,805	20,200,490	20,157,276	19,248,704
C. Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
D. School District's covered payroll	$ 104,018,961	$ 94,453,599	$ 96,183,053	$ 90,738,525	$ 76,257,179	$ 70,939,418	$ 70,172,100	$ 64,464,552	$ 66,468,856	$ 68,972,120
E. Contributions as a percentage of covered payroll	38.15%	40.89%	41.35%	45.08%	36.33%	34.17%	30.57%	31.34%	30.33%	27.91%

See Accompanying Notes to the Required Supplementary Information

Wayne-Westland Community Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
A. School District's proportion of the net OPEB liability (asset) (%)	0.94700%	0.90191%	0.94090%	0.84031%	0.79675%	0.79938%	0.73915%	0.77598%	0.79373%	
B. School District's proportionate share of the net OPEB liability (asset)	$(57,568,134)	$(38,821,988)	$ (5,322,642)	$ 17,798,371	$ 12,161,409	$ 42,825,071	$ 53,054,107	$ 61,681,968	$ 70,288,095	
C. School District's covered payroll	$ 96,555,983	$ 94,746,832	$ 93,800,432	$ 81,431,906	$ 71,993,271	$ 70,936,312	$ 64,684,563	$ 66,155,580	$ 66,346,717	
D. School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-59.62%	-40.97%	-5.67%	21.86%	16.89%	60.37%	82.02%	93.24%	105.94%	
E. Plan fiduciary net position as a percentage of total OPEB liability (asset)	164.94%	143.08%	105.04%	83.09%	88.87%	59.76%	48.67%	43.10%	36.53%	

See Accompanying Notes to the Required Supplementary Information

Wayne-Westland Community Schools
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
A. Statutorily required contributions	$ 2,294,267	$ 2,812,356	$ 7,901,847	$ 7,303,725	$ 6,214,350	$ 5,903,401	$ 5,638,749	$ 5,063,707	$ 4,800,863	
B. Contributions in relation to statutorily required contributions	2,294,267	2,812,356	7,901,847	7,303,725	6,214,350	5,903,401	5,638,749	5,063,707	4,800,863	
C. Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
D. School District's covered payroll	$ 104,018,961	$ 94,453,599	$ 96,183,053	$ 90,738,525	$ 76,257,179	$ 70,939,418	$ 70,172,100	$ 64,464,552	$ 66,468,856	
E. Contributions as a percentage of covered payroll	2.21%	2.98%	8.22%	8.05%	8.15%	8.32%	8.04%	7.86%	7.22%	

See Accompanying Notes to the Required Supplementary Information

Note 1 - Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year.

Excess of Expenditures over Appropriations

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Pupil	$ 9,717,283	$ 9,968,769	$ 251,486
Operations and maintenance	17,993,735	18,634,265	640,530
Pupil transportation services	8,591,730	9,351,515	759,785
Athletic activities	2,354,013	2,496,854	142,841
Federal, State, and Local Grant Programs Fund			
Basic programs	7,274,442	7,594,574	320,132
General administration	102,817	104,460	1,643
Food services	-	8,848	8,848
Milk and Hot Lunch Fund	7,900,000	8,548,742	648,742
Student Activities Fund	1,100,000	1,317,214	217,214

Budgetary Highlights

The following provides an explanation of significant variances for the General Fund and major special revenue funds when comparing the original budget to final budget and final budget to actual results:

General Fund

The General Fund's final budget exceeded the original budget for local revenue by approximately $4,315,000. Local revenue exceeded the original budget primarily due to the inclusion of C4S revenue in the final budget that was not included in the original budget. The increase resulted from a budgeting oversight during the development of the original budget, in which C4S revenue was inadvertently omitted from local revenue projections. The revenue was subsequently incorporated during the budget amendment process, causing local revenue in the final budget to exceed the amount originally adopted.

The General Fund's original budget exceeded the final budget for state revenue by approximately $5,352,000. State revenue was lower than the original budget primarily due to revisions made to the State Aid Status Report after the original budget was adopted. The original

budget estimated funding amounts for several aid categories that were subsequently adjusted as additional information became available. These changes resulted in a reduction of anticipated state revenue and caused the final budget to be lower than the amount originally budgeted.

The General Fund's final budget expenditures exceeded the original budget by approximately $7,066,000. Total expenditures exceeded the original budget primarily due to the School District filling more staffing vacancies during the fiscal year than were anticipated when the original budget was adopted. As positions were filled, salary and benefit expenditures increased above budgeted levels. The increase in staffing costs resulted in total final budget expenditures exceeding the amount originally budgeted.

Special Education Fund

The Special Education Fund's final budget exceeded the original budget for state revenue by approximately $1,415,000. State revenue was higher than the original budget due to having to estimate the amount of state funding that would be received based on the prior year's funding information.

The Special Education Fund's final budget exceeded the original budget for interdistrict revenue by $3,460,000. Interdistrict revenue exceeded the original budget primarily due to having to use the prior year's information to estimate the amount of funds the School District might recognize from unavailable revenue, according to the allocation report. The final budget for interdistrict revenue is subject to change once the allocation report is received.

The Special Education Fund's final budget exceeded the original budget for total expenditures and other financing sources and uses by $4,179,000. The leading cause of these increases is due to the additional expenditures that were approved by WCRESA during the fiscal year. The expenditures were used for the construction of a sensory room and an adaptive playground designed to meet the needs of students with special needs. The School District was unaware of these additional expenditures prior to creating the original budget.

Federal, State, and Local Grant Programs Fund

The Federal, State, and Local Grant Programs Fund's final budget exceeded the original budget for state revenue by approximately $6,034,000. Additionally, the final budget exceeded actual revenue by $6,199,000. State revenue in the final budget exceeded the original budget due to additional at-risk funding received during the fiscal year. Actual revenue was lower than the final budget because a portion of the funding was not spent and will be carried over to the subsequent fiscal year.

The Federal, State, and Local Grant Programs Fund's original budget exceeded the final budget for federal revenue by $4,102,000. Federal revenue in the original budget exceeded the final budget primarily because several reimbursement-based grants were projected to be fully expended. As the fiscal year progressed, grant expenditures were lower than anticipated, resulting in the corresponding $3,365,000 reduction in federal revenue recognized and budgeted in the final budget.

The Federal, State, and Local Grant Programs Fund's final budget exceeded the original budget by $3,121,000 and the actual expenditures were $10,076,000 less than the anticipated final budget expenditures. Total expenditures in the final budget exceeded the original budget primarily due to the anticipated increase in special education support service costs, additional maintenance needs, the filling of staffing vacancies, and the use of at-risk funding. Actual expenditures were lower than both the original and final budgets due to delays in hiring replacement staff, lower-than-anticipated participation in community service activities, spending less at-risk and grant funds, and the reallocation of certain special education and instructional support costs to the General Fund to maintain grant compliance.

The Federal, State, and Local Grant Programs Fund's final budget exceeded the original budget for transfers in by $1,175,000. The final budget exceeded the original budget due to the School District only having knowledge of the 23g grant expenses when the original budget was made.

Note 2 - Pension Information

Notes to the Schedule of the School District's Proportionate Share of the Net Pension Liability

Changes of benefit terms:

- There were no changes of benefit terms in the plan fiscal year 2025.

Changes of benefit assumptions:

- There were no changes of benefit assumptions in plan fiscal year 2025.

Note 3 - OPEB Information

Notes to the Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)

Changes of benefit terms:

- There were no changes of benefit terms in the plan fiscal year 2025.

Changes of benefit assumptions:

- There were no changes of benefit assumptions in plan fiscal year 2025.

OTHER SUPPLEMENTARY INFORMATION

Wayne-Westland Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2026

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Milk and Hot Lunch Fund	Student Activities Fund	2019 Bond Fund	Sinking Fund	
Assets					
Cash	$ -	$ 1,232,388	$ 6,247,259	$ 10,303,560	$ 17,783,207
Accounts receivable	241,069	-	-	-	241,069
Due from other funds	701,208	-	389,191	-	1,090,399
Inventory	106,186	-	-	-	106,186
Prepaid items	274,594	-	-	-	274,594
Total assets	$ 1,323,057	$ 1,232,388	$ 6,636,450	$ 10,303,560	$ 19,495,455
Liabilities					
Accounts payable	$ 75,484	$ 18,136	$ -	$ 75,830	$ 169,450
Due to other funds	-	55,246	-	129,804	185,050
Accrued expenditures	11,740	-	-	-	11,740
Accrued salaries payable	51,195	-	-	-	51,195
Total liabilities	138,419	73,382	-	205,634	417,435
Fund Balances					
Non-spendable					
Inventory	106,186	-	-	-	106,186
Prepaid items	274,594	-	-	-	274,594
Restricted for					
Food service	803,858	-	-	-	803,858
Debt service	-	-	6,636,450	-	6,636,450
Capital projects	-	-	-	10,097,926	10,097,926
Committed	-	1,159,006	-	-	1,159,006
Total fund balances	1,184,638	1,159,006	6,636,450	10,097,926	19,078,020
Total liabilities and fund balances	$ 1,323,057	$ 1,232,388	$ 6,636,450	$ 10,303,560	$ 19,495,455

Wayne-Westland Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2026

	Special Revenue Funds			Debt Service Funds	Capital Projects Funds	
	Milk and Hot Lunch Fund	Student Activities Fund	Formerly Nonmajor Fund Special Education Fund	2019 Bond Fund	Sinking Fund	Total Nonmajor Governmental Funds
Revenues						
Local sources	$ 247,672	$ 1,412,422		$ 12,079,951	$ 2,809,408	$ 16,549,453
State sources	505,811	-		505,951	112,049	1,123,811
Federal sources	7,802,515	-		-	-	7,802,515
Total revenues	8,555,998	1,412,422		12,585,902	2,921,457	25,475,779
Expenditures						
Current						
Education						
Supporting services	-	1,317,214		-	-	1,317,214
Food services	8,291,527	-		-	-	8,291,527
Capital outlay	157,215	-		-	1,255,541	1,412,756
Debt service						
Principal	-	-		6,200,000	-	6,200,000
Interest and other expenditures	-	-		4,604,162	-	4,604,162
Total expenditures	8,448,742	1,317,214		10,804,162	1,255,541	21,825,659
Excess (deficiency) of revenues over expenditures	107,256	95,208		1,781,740	1,665,916	3,650,120

Wayne-Westland Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2026

	Special Revenue Funds			Debt Service Funds	Capital Projects Funds	
	Milk and Hot Lunch Fund	Student Activities Fund	Formerly Nonmajor Fund Special Education Fund	2019 Bond Fund	Sinking Fund	Total Nonmajor Governmental Funds
Other Financing Sources (Uses)						
Transfers in	59,490	-		-	-	59,490
Transfers out	(100,000)	-		-	-	(100,000)
Total other financing sources (uses)	(40,510)	-		-	-	(40,510)
Net change in fund balances	66,746	95,208		1,781,740	1,665,916	3,609,610
Fund balances - beginning, as previously presented	1,117,892	1,063,798	696,293	4,854,710	8,432,010	16,164,703
Change within financial reporting entity (nonmajor to major fund)	-	-	(696,293)	-	-	(696,293)
Fund balances - beginning, as adjusted	1,117,892	1,063,798		4,854,710	8,432,010	15,468,410
Fund balances - ending	$ 1,184,638	$ 1,159,006		$ 6,636,450	$ 10,097,926	$ 19,078,020

Wayne-Westland Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2026

Year Ending June 30,	2026 School Building and Site Bond Unlimited Tax General Obligation	2019 Building and Site Bond (Series III) Unlimited Tax General Obligation	2019 Building and Site Bond (Series II) Unlimited Tax General Obligation	2019 Building and Site Bond (Series I) Unlimited Tax General Obligation	Total
2027	$ 4,400,000	$ 1,720,000	$ 810,000	$ 2,080,000	$ 9,010,000
2028	1,000,000	1,390,000	950,000	2,075,000	5,415,000
2029	455,000	275,000	1,095,000	2,070,000	3,895,000
2030	565,000	160,000	1,240,000	2,070,000	4,035,000
2031	245,000	185,000	1,395,000	2,070,000	3,895,000
2032	415,000	220,000	1,545,000	2,070,000	4,250,000
2033	440,000	255,000	1,690,000	2,070,000	4,455,000
2034	470,000	290,000	1,835,000	2,070,000	4,665,000
2035	495,000	320,000	1,990,000	2,070,000	4,875,000
2036	555,000	340,000	2,155,000	2,070,000	5,120,000
2037	585,000	435,000	2,260,000	2,065,000	5,345,000
2038	615,000	550,000	2,350,000	2,065,000	5,580,000
2039	685,000	695,000	2,420,000	2,065,000	5,865,000
2040	715,000	930,000	2,405,000	2,065,000	6,115,000
2041	750,000	1,300,000	2,255,000	2,065,000	6,370,000
2042	785,000	1,555,000	2,230,000	2,065,000	6,635,000
2043	820,000	1,880,000	2,135,000	2,065,000	6,900,000
2044	860,000	3,285,000	990,000	2,065,000	7,200,000
2045	900,000	5,630,000	985,000	-	7,515,000
2046	945,000	5,925,000	980,000	-	7,850,000
2047	980,000	5,875,000	495,000	-	7,350,000
2048	1,030,000	-	-	-	1,030,000
Total	$ 18,710,000	$ 33,215,000	$ 34,210,000	$ 37,235,000	$ 123,370,000

Wayne-Westland Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2026

Year Ending June 30,	2026 School Building and Site Bond Unlimited Tax General Obligation	2019 Building and Site Bond (Series III) Unlimited Tax General Obligation	2019 Building and Site Bond (Series II) Unlimited Tax General Obligation	2019 Building and Site Bond (Series I) Unlimited Tax General Obligation	Total
Principal payments due the first day of	May	May	May	May	
Interest payments due the first day of	May and November	May and November	May and November	May and November	
Interest rate	5.00%	4.50% - 5.00%	3.00% - 4.00%	3.25% - 4.00%	
Original issue	$ 18,710,000	$ 36,760,000	$ 45,355,000	$ 64,770,000	