

OaklandSchools

Annual Comprehensive Financial Report

for the fiscal year ended June 30, 2026

Waterford, Michigan

Annual Comprehensive Financial Report
Oakland Schools

2111 Pontiac Lake Road
Waterford, MI 48328

For the Fiscal Year Ended
June 30, 2026

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Oakland Schools

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OaklandSchools

EVERY STUDENT. EVERY DAY.

October 21, 2026

To the Citizens of Oakland County
and the Board Members of Oakland Schools

State law requires that every school district and intermediate school district publish a complete set of audited financial statements by November 1 each year. The Annual Comprehensive Financial Report (ACFR) of Oakland Schools (an intermediate school district) for the fiscal year ended June 30, 2026 is hereby submitted to fulfill that requirement. The Oakland Schools Department of Financial Services prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with Oakland Schools (the "District"). To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various District funds. All disclosures necessary to enable the reader to gain a thorough understanding of the District's financial activities have been included.

The ACFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a listing of the elected and top administrative officials of the District, the District's ASBO Certificate of Excellence in Financial Reporting for the Fiscal Year Ended June 30, 2025 and the District's administrative organizational chart. The financial section includes the independent auditor's report, management's discussion and analysis (MD&A), basic financial statements, required supplemental information, and other supplemental information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The basis for preparing the ACFR for the District was first to identify the financial reporting entity exclusive of any potential component units. Potential component units were evaluated to determine whether they should be reported in the District's ACFR. A component unit is considered to be part of the District's reporting entity if it meets the criteria as outlined by the Governmental Accounting Standards Board (GASB) in Statement No. 14, *The Financial Reporting Entity*, and as amended by GASB Statements 39 and 61. The ACFR includes all District funds and account groups that are controlled or dependent upon the District's Board of Education. There are no component units included in the District's ACFR, and Oakland Schools is not included in any other governmental "reporting entity."

The District

Oakland Schools is one of 56 intermediate school districts (ISDs) established in Michigan in 1962. ISDs are regional service agencies that offer support services to local school district personnel that are best delivered regionally, as measured by cost, size and quality advantages. Oakland Schools is an autonomous, tax-supported public school district governed by Michigan General School laws. The District serves 28 local school districts and 23 public school academies, each independently funded, with a countywide enrollment of approximately 175,300 students. Enrollment decreased by 1.2%, or 2,107 full time equivalents between 2024-25 and 2025-26. Countywide, student enrollment had been declining since 2007, primarily due to the economic environment in the state of Michigan causing families to move out of state and lower birth rates in the county. Between 2025-2030, the population for ages 5-17 is projected to decrease by 2.8% according to the Southeast Michigan Council of Governments and will then increase over the subsequent

ten-year period. This will have a corresponding impact on projected school district enrollment. Enrollment does not impact the financial resources of Oakland Schools however, as our primary revenue source is property taxes, and the District does not receive a per pupil foundation allowance nor any per pupil funding.

The District's Board of Education members are elected by local school boards and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. The Board of Education is responsible for the selection and appointment of the superintendent, as well as setting policy, developing long-range educational goals, adopting and amending operating budgets, and evaluating school programs.

Oakland Schools operated and housed staff in six locations in 2025-26, three of which are owned and three of which are leased. Our locations housing staff consist of the main Administration Building (built in 2003) and Summit building (Production Print, Special Populations and Medicaid; built in 1993) in Waterford, Michigan; and four Oakland Schools technical campuses (OSTC) in each of the quadrants of the county: Northwest Campus in Clarkston, Michigan, (built in 1970) Southwest Campus in Wixom Michigan (built in 1970), Northeast Campus in Pontiac, Michigan (built in 1968) and Southeast Campus in Royal Oak, Michigan (built in 1970). The four technical campuses provide a countywide career focused education learning system to approximately 2,560 students from all 28 constituent districts. The condition of all Oakland Schools' facilities is excellent. All owned and leased facilities are routinely evaluated and renovated or updated to ensure they are structurally sound and are state-of-the-art facilities. The District maintains a 5-year capital plan which is updated annually to prepare for necessary improvements and upgrades to facilities and equipment. The District pre-funds at least three years, and up to five years, of the capital plan requirements. This planning process ensures Oakland Schools maintains adequate funding and can meet our capital needs.

Economic Condition and Outlook

Oakland Schools and the school districts we support are primarily located in Oakland County, which covers approximately 910 square miles. Oakland County continues to benefit from a large, diverse, and highly skilled economy. The County's population was estimated at approximately 1.29 million in 2025, an increase of 1.1 percent since 2020. Its workforce is supported by comparatively high levels of educational attainment, with 51.0 percent of residents age 25 and older holding a bachelor's degree or higher. Median household income was $97,760 during the 2020–2024 period, while the poverty rate was 7.6 percent. Professional and business services remained the County's largest employment sector, accounting for approximately 23 percent of private-sector jobs during the second quarter of 2025, followed by educational and health services at 19 percent and trade, transportation, and utilities at 18 percent. These knowledge-based and service-oriented industries, together with the County's advanced manufacturing base, provide a measure of economic diversification and resilience.

Labor-market conditions remained generally favorable during fiscal year 2026, although growth moderated. Oakland County's unemployment rate averaged 4.3 percent during 2025, below Michigan's 5.2 percent rate, and stood at 4.6 percent in June 2026 on a not-seasonally-adjusted basis. Private-sector employment in the County remained approximately 3.7 percent below its 2019 level as of the second quarter of 2025. Employment gains in educational and health services, financial activities, and construction were partially offset by continued weakness in professional and business services, information, and certain manufacturing industries.

The County's economic outlook is for gradual growth through 2028, supported by a labor force projected to reach a record 695,000 residents and continued gains in finance and insurance and health and social services. Manufacturing employment is also expected to improve as activity resumes at General Motors' Orion Assembly plant. These gains may be partially offset by reductions in professional and technical services and continued contraction in traditional retail employment. The outlook remains subject to risks from elevated interest rates and costs, trade and policy uncertainty, demographic aging, and the automotive industry's transition to new technologies. Despite these risks, Oakland County's highly educated workforce,

concentration of professional occupations, strong household income, and knowledge-based industrial structure position the local economy for continued, though moderate, expansion. For more information about Oakland County's economy, please visit either www.oakgov.com or www.automationalley.com.

School Finance

Oakland Schools is allocated one-fourth mill (0.25 mill) for general operating purposes from the millage allocation authorized in each Michigan county, in accordance with the State of Michigan constitution. Under the terms of the Tax Limitation Amendment of 1978, this millage has been "rolled back" to reflect growth of property valuation above the inflation rate**.** For the fiscal year ended June 30, 2026, the District's General Education Fund operating levy was .1862 mills. Due to a millage rollback, the District will levy .1847 mills in fiscal year 2027.

The District is legally permitted to seek voter approval to fund special education and vocational education programs. The voters had authorized special education tax levies totaling one and three-fourths mills (1.75 mills) and a vocational education tax of one-half mill (0.50 mills), all of which have been "rolled back" under the terms of the Tax Limitation Amendment of 1978. On September 25, 2001, the voters authorized an additional tax levy for both special education (1.1704 mills) and vocational education (0.2279 mills). The District's special education and vocational education total levies for the fiscal year ended June 30, 2026 were 2.3693 mills and .5794 mills, respectively. These rates will be reduced to 2.3509 and .5749, respectively, in fiscal year 2027 due to millage rollbacks.

Nearly 76% of the tax revenues collected are the Special Education property tax which flows through to school districts in Oakland County. Taxable values of Oakland County properties increased by 7.0% and 5.1% in fiscal years 2025 and 2026, respectively and estimates show future increases of 4.9% for fiscal 2027 and 3.5 - 4% for 2028-2029. Due to Proposal A however, the District's tax levy increase is limited to the rate of inflation, and the full amount of taxable value increase is not expected to be realized. Oakland Schools continues to monitor the economic environment for indications of another recession and the impact that the pandemic may have on property tax revenue estimates.

Oakland Schools continues to monitor ongoing Michigan Tax Tribunal (MTT) judgments. Not all MTT judgments result in a reduction in taxable value for the plaintiff, although a good number of them do. These judgments often result in a refund of previously collected property taxes that the County must provide to the plaintiff(s), and the County passes these costs onto the respective municipalities and school districts, such as Oakland Schools. At the time of this publication, Oakland Schools is using the same information that Oakland County Government has developed for determining the liability exposure to MTT appeals. As a result, we have determined that a reserve of $1.2 million is appropriate to address successful property tax appeals through the school fiscal year ending June 30, 2026.

Major Initiatives

Purpose
Our statement of purpose as of June 30, 2026 and as adopted by our Board of Education is: "EVERY STUDENT. EVERY DAY."

Our beliefs, as adopted by our Board of Education are:

- It's about service.
- Students form the lens through which our best educational decisions are made.
- All students can and will learn.
- Collaboration builds understanding.
- Education is a shared responsibility.
- Our success depends upon our employees.
- Change is opportunity.
- Lifelong learning is a key to lifelong success.

- Effective relationships are powerful.
- Differences expand our thinking.
- Visionary leadership creates a dynamic environment.
- We must develop leaders for tomorrow.
- Ethical behavior is everyone's responsibility.

To support our mission and beliefs, the Board of Education has formally adopted and maintains a continuous improvement plan for Oakland Schools. As of June 30, 2026, the goals of the continuous improvement plan are:

1. Equity
2. Well-Being
3. Excellence
4. Operations

Oakland Schools strives to promote equity and excellence in education throughout the District. We do this through quality service and leadership. We explore, experiment, and model ideas to improve education and enhance teaching skills through discovery and practice. We understand that our role as an Intermediate School District is to support student achievement in our constituent districts. We meet this responsibility through our professional and curricular development programs, development and implementation of regional best practices and operating efficiencies, and our monitoring and compliance activities.

Examples of current programs, initiatives, and support systems that serve our constituent school districts follow:

Artificial Intelligence
To align with Oakland Schools' mission of providing innovative, high-impact solutions for our districts, our Technology Services department has established an AI Strategy Team. We hired a Director of AI Strategy and Innovation to lead a comprehensive AI strategy building upon the AI foundation that was laid, including supporting the 28 districts we serve. By launching an AI Strategy Team, we can proactively support districts in areas such as personalized learning, predictive analytics to drive student success, and streamlined administrative processes. Just as importantly, we are committed to implementing AI in ethical, equitable, and transparent ways. This effort positions Oakland Schools as an innovation leader, fully aligned with our mission to provide forward-thinking, high-impact solutions that empower educators and improve outcomes for every student we serve.

Consortium Pricing
Oakland Schools supports our constituent districts by evaluating resources, tools and providers for various local district needs. We negotiate with providers to seek discounted consortium pricing, saving districts over $1 million annually in product pricing and implementation support. Current examples of educator tools procured on behalf of constituent districts include the Atlas Curriculum Mapping System, Illuminate DnA, Discovery Education Streaming, Xello career cruising, the Nepris vocational education industry connections platform, and STAMP proficiency assessment for world language test-out. The products are all offered either at a full or partial subsidy to districts.

Literacy Essentials Oakland (LEO)
The Literacy Essentials Oakland (LEO 2.0) Project is centered on ensuring early literacy success for children in Oakland County. This multi-year project was launched during the 2019-20 school year, and was redesigned in 2022 with the following criteria in mind:

- Deeply rooted in research
- Builds capacity in local districts
- Tailored to needs of local districts
- Focus on job-embedded professional learning

- Uses student outcome and implementation data to inform instructional decisions.

In 2025-26, the LEO team made significant progress in ensuring educational excellence via the following indicators:

- Metrics analytics indicate strength in coaches spending a majority of their time working directly with teachers to improve student learning.
- LEO leadership teams are adjusting services to strengthen the use of short-term data cycles to drive instructional decisions.
- Collaboration with state-funded literacy coaches continues, supporting full coaching cycles, evidence-based practices, and alignment with PA 146, K-12 Literacy and Dyslexia Law.

Numeracy Initiative (EPIC – Essential Practices in Instruction ⇄ Capacity & Coherence)

The Numeracy initiative was developed in 2024-25 in response to declining performance from 3rd-6th grade on the Mathematics M-STEP. This project is designed to increase an organization's capacity to support effective mathematics practices leading to increased student outcomes in mathematics. The three key priorities include:

- Enhancing equitable, research-based instructional practices in grades 4-6 (with an emphasis on 6th grade)
- Building instructional leadership capacity, focusing on both administrative and non-administrative instructional leaders (teachers, coaches, coordinators)
- Strengthening district-level coherence, improving alignment of professional learning plans and instructional tools with district-wide goals

Even though this initiative is in its early stages, good progress has already been made and will continue into 2026-27.

Social-Emotional Wellbeing and Mental Health Support

Oakland Schools remains committed to supporting the social-emotional well-being and mental health needs of students and educators across our districts. As the demand for these services continues to grow, we are expanding our resources and partnerships to further strengthen mental health support at all levels.
In 2025-26, our mental health team continued to provide critical support in key areas:

- Expanding Tier 1 Supports – Increasing access to Youth Mental Health First Aid, Positive Behavioral Interventions and Supports (PBIS), and Social-Emotional Learning (SEL) strategies to promote student and staff wellbeing.
- Enhancing School Safety – Strengthening both physical and psychological safety through the PREPaRE curriculum, the I Love You Guys Foundation training, and additional crisis-response initiatives.
- Advancing Suicide Prevention and Postvention – Providing professional learning on updated suicide prevention strategies and postvention supports to respond effectively in times of crisis.
- Improving Crisis Prevention and De-escalation – Expanding training in Nonviolent Crisis Intervention (CPI) and Life Space Crisis Intervention (LSCI) to equip school staff with strategies for preventing and safely managing crisis situations.
- *Developing School-Based Mental Health Systems* – Continuing to help districts build and sustain comprehensive mental health frameworks that integrate school, community, and state-level supports.

Crisis Response & Trauma Support

Oakland Schools remains a key partner in providing direct support to districts experiencing traumatic events. We continue to offer crisis response and recovery assistance, including ongoing consultation for districts and expanded support for districts impacted by trauma. In the 2025-26 school year, we continued to build on our crisis response efforts by strengthening trauma-informed and restorative approaches and increasing district capacity to address both immediate and long-term student and staff needs.

Business Office Residency Program
Oakland Schools Administration has developed, with input from local district stakeholders, a Business Office Residency Program which began in June 2024. The program is in response to the significant turnover and retirement of local district business office staff without an adequate pipeline to fill the vacancies. This is a two-year program in which a cohort of four individuals are receiving training, leadership development, a Michigan School Business Officials certification, and internships with local districts. The intended outcome is that these individuals will be prepared to take leadership roles within our local district business offices upon completion. The program has had a very successful first cohort which completed their training in 2025-26. Due to the success of the program, a second cohort of three residents is beginning in the 2026-27 year.

Human Resources Leadership Academy
Oakland Schools launched the Human Resources Leadership Academy (HRLA) in 2024-2025 as a two-year leadership development program designed to cultivate future human resource leaders across the county. The program blends training with hands-on experience, preparing participants to step into HR leadership roles in Oakland County.

In the first year, participants engaged in professional development, gaining foundational knowledge and skills. The second year focused on project-based learning within a district setting, where participants tackle real-world HR challenges. Year two includes a capstone project that focuses on critical HR areas, including recruitment, performance evaluations, employee training, and retention. Through these capstone projects, participants develop practical solutions that enhance HR practices, ensuring they are prepared to step confidently into a leadership role.

In the 2026-2027 school year, we will welcome our third cohort into the program.

The General Education Fund is fully funding both the Business Office Residency and HR Leadership Academy programs.

Shared Services
Oakland Schools works with several districts in Oakland County providing non-instructional services on a cost recovery basis. Collaborative efforts include the following:

- Oakland Schools provides business office services for one district through an intergovernmental agreement that expires in June 2027.
- Oakland Schools' technology services department provides a full range of onsite and centrally managed technology services to fifteen districts in Oakland and Lapeer Counties.
- Our technology services department entered into an agreement in 2021 with the Michigan Association of Intermediate School Administrators to provide service desk support for the MICIP project.
- Oakland Schools provides additional cost recovery services to districts on an as-needed basis.

Early Childhood Programming
Early Childhood is a unit within District and School Services that works with schools, families, and other agencies to support the school success of children from birth to kindergarten by developing, evaluating, and improving high-quality early childhood programs. These efforts save local districts thousands of dollars by supporting school readiness, early identification of developmental, learning and behavioral challenges, and strategic cost-saving initiatives.

Our Early Childhood team provides the following services to our constituent districts at no additional cost:
- Providing direct assistance, resources and outreach to young learners and their families to promote school readiness.
- Supporting program administrators with technical assistance to ensure compliance with state and federal regulations, licensing rules and grant requirements.

- Coordinating county-wide preschool recruitment marketing campaigns, saving districts an estimated $160,900 annually.
- Managing centralized care coordination to determine child eligibility for GSRP, resulting in an estimated savings of $475,400 in 2025-2026.
- Securing over 200 start-up and expansion grants, leveraging over $5.0 million to expand access to GSRP.
- Providing developmental screening and referral coordination for GSRP programs, generating $47,700 in savings while strengthening early identification systems.

The following services are provided by Early Childhood on a cost-recovery basis:

- *Early Childhood Specialists (ECSs)* – Supporting GSRP preschool teaching teams and site administrators across 28 LEAs, 6 PSAs, and 62 community-based organizations. Oakland Schools recruits, trains, monitors, and coaches ECSs, saving districts approximately 40% in staffing and administrative costs.
- *Online Child Assessment Tool* – Coordinating a county-wide purchase of the COR Advantage child assessment tool, reducing per-child licensing costs by 47% and generating more than $75,000 in countywide savings. Also coordinated 500 Teaching Strategies GOLD licenses, saving programs more than $7,000 through bulk purchasing.
- *High Scope GSRP Professional Learning* – Providing HighScope curriculum training for GSRP teachers and administrators at substantially reduced rates, lowering professional learning costs up to 70% and saving districts more than $250,000 in registration and travel expenses.

Special Education Services

The Oakland Schools Department of Special Populations is dedicated to providing leadership, service and support that strengthen the capacity of schools, families and communities to support the success of students with Individualized Education Programs (IEPs).

Services include, but are not limited to:

- Central coordination of county-wide problem solving and placement of students with IEPs having complex needs
- Provision of assistive technology to county students with IEPs to assure access to instruction and materials
- Support of districts in skill development of staff providing instruction to students with IEPs
- Instructional and consultative services to district staff for students who are deaf/hard of hearing, visually impaired, physically impaired or have traumatic brain injury
- Support of districts to ensure compliance with the Individuals with Disabilities Education Act (IDEA) and Michigan Administrative Rules for Special Education (MARSE) rules and regulations
- Collaboration with various community partners to provide necessary student supports.

Student Services

Student Services provides consulting, coordinating and direct educational services and programs for K-12 students across Oakland County. The vision driving Oakland Schools' Student Services Department is that every student in Oakland County will graduate career ready. Oakland Schools offers many other regional initiatives that provide direct support to Oakland County educators, students, families and industry professionals. Oakland Schools operates four technical campuses directly serving approximately 2,560 students throughout the County. Partnering with industry and our local districts, the K-12 Career Readiness Unit leads Student Services in helping all students (K-12) in Oakland County become career ready. This makes their learning directly relevant to their future.

Oakland Schools has built and continuously improves a district-wide learning system that guides students in:

- Making informed career readiness decisions

- Developing academic, technical, and workplace knowledge
- Skills building and preparation to compete effectively in the job market.

Leaders from the community, business and industry, government, and education serve as key stakeholders in Student Services' efforts to design, develop and deploy career readiness services that align with the region's workforce needs. During the school year, significant progress was made in advancing Student Services' mission, most notably through:

- Regional alignment of career readiness activities, training, and partnerships
- Continuous improvement to the campus facilities and program offerings at all four Oakland Schools technical campuses
- Student acceptance into apprenticeships, 2-year colleges, 4-year colleges and full-time employment.

Student Services provides leadership and support for a variety of student programs. This includes the Oakland Accelerated College Experience (ACE) and Virtual Learning Academy Consortium (VLAC), which are both tuition-based programs. Oakland Schools also offers the Oakland Technical Early College (OTEC) program, which is a rigorous three-year program offering high school students an early start in post-secondary training to better prepare them for high-skill, high-demand and high-wage careers. During the 11th and 12th grades, students take high school requirements, an OSTC program and college courses that align with a technical degree. Students attend Oakland Community College full-time during an added 13th year, completing their high school diploma and potentially earning an associate degree. The cost for college tuition and books is covered for participants in this program.

Student Services is in the development phase of a Nanotechnology, Artificial Intelligence, and Synthetic Biology lab which will serve our local districts and public school academies as a resource they can visit during the school year. Within this lab, to be located at the Southeast Technical Campus, students and educators will explore cutting-edge technologies firsthand. Nanotechnology involves manipulating materials at the molecular level to create new substances and devices with unique properties. Artificial Intelligence encompasses developing intelligent systems capable of tasks typically requiring human intelligence, such as problem-solving and decision-making. Synthetic Biology integrates principles from biology and engineering to design and construct novel biological components and systems. Through visits to the lab, students will gain exposure to these exciting scientific fields, preparing them for future opportunities and technological advancements. Districts will be able to fully access this service during the 2027-28 school year.

Oakland Network for Education (ONE)

ONE is a district-wide 311-mile fiber-optic network that benefits all Oakland ISD students and educators through its economy of scale and services. It is a comprehensive network designed to bring significantly enhanced educational opportunities to the students of Oakland Schools' constituent districts.

ONE provides services through advanced voice, video, and data network infrastructure in order to build a stronger learning community within the Oakland Schools boundaries (i.e., lower-cost local, zone, and long-distance telephone access through collaborative bids; dual high-speed circuits for Internet access to meet the growing needs of Oakland ISD educators; and connectivity to the community through a Web presence). ONE provides the following benefits to students: opportunities for all students to access the technological and academic skills necessary for the 21st century; college courses for high school students at their local high school; field experts to work with students; virtual field trips to leading cultural institutions; and video on demand for instruction.

In 2023-24 a significant infrastructure project was started to create resiliency in how all public school districts across Oakland County connect. This project is estimated at over $2 million and will conclude in 2026-27.

Capital Projects Fund - Construction and Renovation Projects
Oakland Schools maintains a 5-year capital plan which is updated annually, identifying both short-term and long-term construction and renovation projects and the funding source for those projects. Capital projects funds are maintained for the administration building and the CFE campus renovations. Through careful planning and funding of these capital projects funds, the District can ensure updated, state-of-the-art facilities are maintained.

Risk Related Activity Fund
The Risk Related Activity Fund is categorized in governmental accounting as an Internal Service Fund and is authorized under GASB Statements Number 10 and 30. An internal services fund is a proprietary fund. Proprietary funds are used to account for state or local government's activities that are similar to activities that may be performed by commercial enterprises. The goal of this fund is to provide administration with a risk management tool. The Risk Related Activity Fund includes accounting for the following District expenses:

I. Employee Compensated Absences

II. Employment Benefits including:
- Health Insurance
- Dental Insurance
- Vision Insurance
- Life Insurance
- Short-term Disability Insurance
- Long-term Disability Insurance
- Workers' Compensation Insurance
- Unemployment

III. Other District Expenses/Programs including:
- Property & Casualty Insurance
- Fleet Insurance
- Errors & Omissions
- Cyber Liability
- Professional Liability
- Safety (loss prevention)
- Employee Wellness

We believe the application and operation of this risk management tool is a significant benefit to our District.

Production Print Enterprise Fund
The Production Print Enterprise Fund is categorized in government accounting as an enterprise fund. An enterprise fund is a proprietary fund. Proprietary funds are used to account for state or local governments' activities that are similar to activities that may be performed by commercial enterprises. Enterprise funds are funds used by governmental units to account for services provided to the general public on a user charge basis. The primary operating goal for the Production Print Enterprise Fund is to operate on a break-even basis, however the implications of GASB 68 and 75 have resulted in the fund reporting a deficit net position. Primary elements of the business operating plan for the fund is first to expand operating revenue such as those generated from expanding services to local school districts and concurrently closely manage operating costs such as inventory and personnel.

Financial Information

Accounting Systems
The District's fund-level financial statements and government-wide financial statements for our governmental

and Agency Fund types have been prepared in conformance with generally accepted accounting principles and are in compliance with Government Accounting Standards Board Statement No. 34. Governmental fund-level statements are prepared on the modified accrual basis of accounting. The revenue is recognized when measurable and available to finance current operations. Expenditures are recognized when the liability is incurred, generally when the goods or services are received, except for interest on long-term debt, which is recorded when paid. With respect to the government-wide financial statements, the full accrual accounting basis is applied as defined under GASB Statement No. 34.

In developing and evaluating the District's financial information system, consideration is given to the adequacy of the internal accounting and administrative control structure and the costs thereof. Accounting and administrative controls comprise the plan of organization, policies, procedures, and records necessary for the safeguarding of assets, the reliability of financial records, and compliance with grant requirements. The expressed purpose is to provide reasonable assurance that:

- Transactions are in accordance with management's and grantors' general or specific authorization.
- Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and other criteria (such as finance-related legal and contractual compliance requirements) and to maintain accountability for assets.
- Access to assets is permitted only in accordance with Board of Education appropriations, financial policies, and management's authorization.
- The recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences.

Accounting and administrative controls comprehend reasonable, but not absolute, assurance that the objectives expressed will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of an internal control structure should not exceed the benefits expected.

Budgetary Controls

The District maintains both accounting and budgetary controls. The objective of budgetary control is to ensure compliance with legal provisions as embodied in and adopted in the annual appropriation budget approved by the Board of Education. Governmental fund types are under formal budgetary control. The activities of the General and Special Revenue Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Project Funds.

The Board of Education established the legal level of control as presented in the fund financial statements. The Board of Education is authorized to make amendments to the budget as it deems necessary. The District also maintains an encumbrance accounting system as a method of budgetary control. Amounts encumbered at year end are re-appropriated as part of the following year's budget. Detailed operating information on a per fund basis can be found in the management's discussion and analysis section of the ACFR.

Fund Balance

The District is in compliance with the provisions of GASB 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. Under this standard, the fund balance classifications are nonspendable, restricted, committed, assigned, and unassigned. The District's fund balance is categorized under these classifications based on the extent to which the District is bound to observe constraints imposed on the use of the resources in the governmental funds.

Cost Allocation Methodologies

During the normal course of conducting business, the District incurs costs that require a logical methodology to allocate between our three major operating funds: The General Education Fund (GEF), the Special Education Fund (SEF) and the Career Focused Education Fund (CFEF). The Michigan Department of Education's (MDE) "Accounting and Fiscal Reporting Requirements for Intermediate School District Use of Special Education Funds" rules identify allocation-eligible "function-based" costs as defined by the MDE

Bulletin 1022 Accounting Manual.

For the SEF, the primary controller parameter is a 25% maximum allocation cap on each eligible function-based cost pool. The CFEF has no such limiting set of rules to date, but costs in this fund are treated in the same manner as the SEF with respect to the application of our "general allocation methodology" process.

Oakland Schools uses two basic cost allocation methodologies:

- General allocation method – allocates all qualifying function-based gross budget cost pools not allocated using an activity-based cost method in the following manner: 50% to the GEF, 25% to the SEF and 25% to the CFEF.
- Activity based cost (ABC) method:
  - ABC – FTE based – applied to the Financial Services, Human Resources, Office of Procurement & Contracting and the Enterprise Technical Services departments
  - ABC – Space Usage based – predicated on square footage and is applied to capital, maintenance and operating costs associated with the District's facilities
  - ABC – Transportation – based on student miles transported for all constituent districts and is used for allocation of Pupil Transportation costs.

Debt Administration

Long-term obligations outstanding for the District as of June 30, 2026 consisted of $33,270,000 in bonded debt, $2,309,582 in premium on debt issued, $2,422,453 in lease obligations, $43,926 in subscriptions, and $3,974,149 of accrued sick and vacation obligations. All of the District's bonded debt consists of general obligation limited tax instruments. The funding source for the debt service is the operating revenue of the District's General Education, Special Education, and Career Focused Education Funds.

Retirement Plan

All employees of the District are covered by a mandatory, cost-sharing, multiple-employer plan - the Michigan Public School Employees Retirement System (MPSERS). The MPSERS consists of several different benefit plan types depending upon the first date the employee was eligible to become a MPSERS member and the personal elections of the member. Employees participate in the Basic Plan, the Member Investment Plan, the Pension Plus Plan, the Pension Plus 2 Plan, or the Defined Contribution Plan. Members also have the option of choosing between the defined benefit health plan and a personal healthcare fund. These plans and employer and employee contribution rates are discussed further in the notes to the financial statements.

The plans provide their members various benefits, including regular retirement, early retirement, deferred retirement, non-duty disability pension, duty disability pension, and survivor pension.

Benefit and contribution provisions are fixed by state statute and may be amended only by action of the State Legislature.

The District is in compliance with the provisions of GASB 68, *Accounting and Financial Reporting for Pensions* and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures for pensions and other postemployment benefits (OPEB), respectively. For defined benefit pensions, like the MPSERS plan, GASB 68 also identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. These Statements also require certain note disclosures and contain supplemental information requirements about defined benefit pension and OPEB.

Other Information and Acknowledgments

Independent Audit
Michigan law requires an annual audit of the District's basic financial statements. The District's Board of Education engaged Plante & Moran, PLLC for this purpose. The independent auditor's opinions have been included in this report.

The basic financial statements are the responsibility of the District. The responsibility of the independent auditors is to express opinions on the financial statements that collectively comprise the District's basic financial statements based upon their audit, which is conducted in accordance with generally accepted accounting standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that the audit be planned and performed in a manner to obtain reasonable assurance that the basic financial statements are free of material misstatement.

Single Audit
As a recipient of federal and state grants, the District is responsible for ensuring that an adequate internal and administrative control structure is in place and compliance with applicable laws and regulations is maintained. To ascertain the level of such compliance, the District has an audit performed in accordance with Title 2 of the U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Certificate of Excellence in Financial Reporting
The District is committed to providing its citizens and other users with comprehensive financial reporting. For school districts meeting the requirements of a comprehensive annual report, the Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting. The ASBO awarded a Certificate of Excellence in Financial Reporting to Oakland Schools for its Annual Comprehensive Financial Report for the last twenty-three consecutive school fiscal years: 2002-03 through 2024-25.

In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. Annual Comprehensive Financial Reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Excellence is valid for a period of one year only. The District believes our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting our report to ASBO.

Aaa Bond Rating
The financial community has acknowledged the District's solid financial operations and large, growing tax base in recent years. The District earned the highest bond rating achievable, Aaa, from Moody's Investors Service during its 2026 bond refunding.

Oakland Schools' Aaa bond rating allows the District to borrow at the lowest possible interest rate, saving the District interest costs in the future.

Acknowledgments
The preparation of this ACFR was accomplished through the commitment and dedication of Oakland Schools' Department of Financial Services. Management wishes to thank each member of the team for his or her contribution to the completion of this report.

Respectfully submitted,

Teri Les
Assistant Superintendent, Finance & Operations

Michelle Saunders
Executive Director, Financial Services

In accordance with state and federal law, Oakland Schools does not discriminate, nor permit discrimination, on the basis of race, color, national origin, ethnicity, religion, sex (including pregnancy or parental status, gender identity, gender expression, and sexual orientation), disability, age, height, weight, marital status, military service, veteran status, genetic information, or any other legally protected status, in its educational programs and activities, employment, or enrollment. The District also provides equal access to the Boy Scouts of America and other legally designated youth groups. For questions or complaints regarding unlawful discrimination or harassment, employees should contact the Assistant Superintendent of Human Resources, Personnel Management, and Labor Relations at 248.209.2466 or Complaints@oakland.k12.mi.us. Students and others should contact the Civil Rights/Title IX Coordinator at 248.209.2467 or CivilRights.TitleIX@oakland.k12.mi.us.

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Oakland Schools

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025.

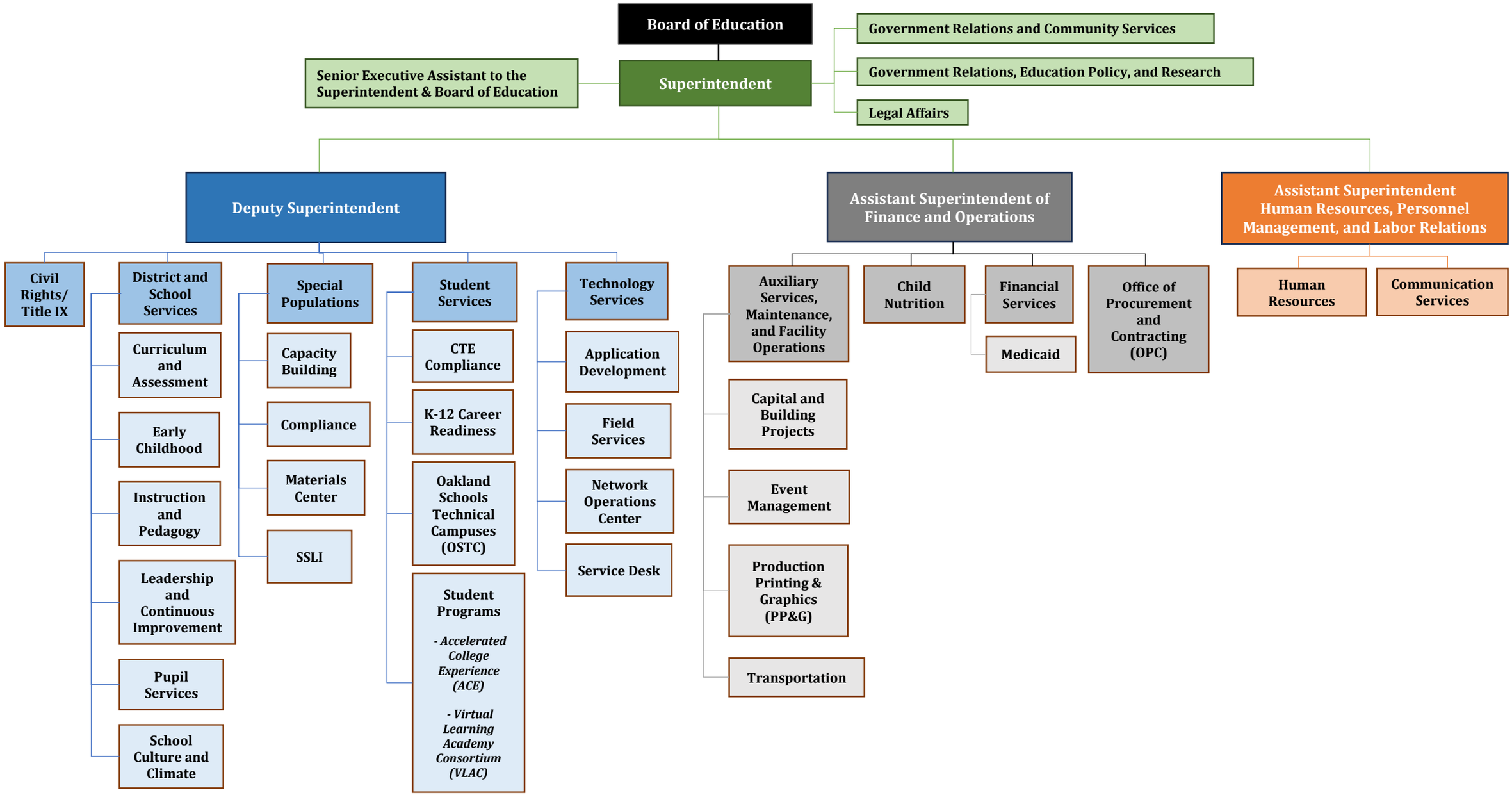
The district report meets the criteria established for ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Lynn Knight
President

James M. Rowan, CAE, SFO
CEO/Executive Director

Oakland Schools Organizational Structure 2025-2026



Oakland Schools
District Officials

Administration

Kenneth Gutman
Superintendent

Dr. Christopher Delgado
Deputy Superintendent

Teri Les
Assistant Superintendent, Finance and Operations

Dandridge Floyd
Assistant Superintendent, Human Resources, Personnel Management & Labor Relations

Carol Anthony
Executive Director, District and School Services

Elizabeth Santer
Executive Director, Special Populations

William Chatfield
Executive Director, Auxiliary Services, Maintenance, Facilities & Operations

Jarrad Grandy
Executive Director, Student Services

Lisa Hansknecht
Executive Director of Government and Community Services

Dwight Levens
Executive Director, Technology Services

Sherry McMillan
Executive Director, Legal Affairs

David Randels
Executive Director of Government Relations, Education Policy and Research

Michelle Saunders
Executive Director, Financial Services

Sheri Stuart
Director of Communications

Board of Education

Marc Katz
President

Connie Williams
Vice President

Carol Finkelstein
Secretary

Gary Hauff
Treasurer

Steven Gottlieb
Trustee

Plante & Moran, PLLC
Suite 300
2601 Cambridge Court
Auburn Hills, MI 48326
Tel: 248.375.7100
Fax: 248.375.7101
plantemoran.com

Independent Auditor's Report

To the Board of Education
Oakland Schools

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

PRAXITY™
Empowering Business Globally

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

To the Board of Education
Oakland Schools

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2026 on our consideration of Oakland Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oakland 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 Oakland Schools' internal control over financial reporting and compliance.



October 21, 2026

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

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Oakland Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds - the General Education Fund, the Special Education Fund, and the Vocational Education Fund - with all other funds presented in one column as nonmajor funds. Two of the remaining statements, the statements of fiduciary net position and changes in fiduciary net position, present financial information about activities for which the School District acts solely as an agent for the benefit of administrative groups. The other remaining statements are related to the School District's proprietary funds (internal services and enterprise). The Risk Related Activity Fund, an internal service fund, accounts for all of the costs associated with the School District's insurance programs and employee compensated absences provided to other funds of the School District on a cost-reimbursement basis. The Production Print Enterprise Fund, an enterprise fund, accounts for all of the School District's graphics and printing operational costs, including all district-direct and client-based service costs. This report is composed of the following elements:

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information

Budgetary Comparison Schedules for Major Funds

Schedules of Proportionate Share of the Net Pension Liability and OPEB Liability (Asset)

Schedules of Pension and OPEB Contributions

Notes to the Required Supplementary Information

Supplementary Information

Budgetary Comparison Schedules for Nonmajor Special Revenue Funds

Combining Nonmajor Fund Financial Statements

Combining Nonmajor Special Revenue Fund Financial Statements

Schedule of Bonded Indebtedness

Statistical Section

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

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

These two statements report the School District’s net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net position - as one way to measure the School District’s financial health or financial position. Over time, increases or decreases in the School District’s net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District’s operating results. However, the School District’s goal is to provide services to the students and educators in our county, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education and services 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 and business-type activities for the School District. Governmental activities encompass most of the School District’s services, including instruction, support services, community services, payments to subrecipients, and other various services. Property taxes, state and federal grants finance most of these activities. Business-type activities are financed through charges for services.

Reporting the School District's Most Significant Funds - Fund Financial Statements

The School District’s fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

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.

Proprietary Funds

Proprietary fund reporting focuses on the economic resources measurement and an accounting method called full accrual accounting. The proprietary fund statements present a long-term view of operations and the services they provide to other funds. The School District established two proprietary funds. The first is the internal service fund, which was established to finance specific services provided to other funds of the School District on a cost-reimbursement basis. The specific services represent accounting for all insurance benefits and compensated absences of the School District. The second is an enterprise fund called the Production Print Enterprise Fund, which reports activities for which there is a fee to external users for goods and services.

Fiduciary Funds

Fiduciary funds are used to account for resources held in a fiduciary capacity for others. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available for the support of the School District's own programs. The accounting used for fiduciary funds is the full accrual basis of accounting.

Overall Financial Summary

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

	Governmental Activities		Business-type Activities		Total	
	2026	2025	2026	2025	2026	2025
	(in millions)		(in millions)		(in millions)	
Assets						
Current and other assets	$ 229.9	$ 222.6	$ 0.4	$ 0.4	$ 230.3	$ 223.0
Capital assets	91.6	83.0	0.1	0.1	91.7	83.1
Total assets	321.5	305.6	0.5	0.5	322.0	306.1
Deferred Outflows of Resources	28.1	37.0	0.3	0.4	28.4	37.4
Liabilities						
Current liabilities	57.5	63.4	-	-	57.5	63.4
Noncurrent liabilities	42.0	45.9	-	-	42.0	45.9
Net pension liability	91.3	112.6	1.0	1.1	92.3	113.7
Total liabilities	190.8	221.9	1.0	1.1	191.8	223.0
Deferred Inflows of Resources	66.6	71.0	0.5	0.5	67.1	71.5
Net Position (Deficit)						
Net investment in capital assets	50.9	39.0	0.1	0.1	51.0	39.1
Restricted	116.9	79.4	0.1	0.1	117.0	79.5
Unrestricted	(75.6)	(68.7)	(0.9)	(0.9)	(76.5)	(69.6)
Total net position (deficit)	**$ 92.2**	**$ 49.7**	**$ (0.7)**	**$ (0.7)**	**$ 91.5**	**$ 49.0**

The above analysis focuses on net position. The analysis of the changes to follow is in reference to the primary government as a whole but is indicative of changes in governmental activities; business type activities had very little fluctuation in fiscal year 2026.

The School District's governmental net position was $92.2 million at June 30, 2026. Net investment in capital assets totaling $50.9 million compares the original cost, less depreciation and amortization of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt represents general obligation bonds and, as such, is secured by and pledges the full faith and credit of the School District for payment of the debt service. The remainder consists of lease and subscription liabilities recorded under GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscriptions*, respectively, in the statement of net position. Net investment in capital assets increased by $11.9 million due to multiple large renovation projects occurring at the School District's main campus and four technical campuses.

Restricted net position of $116.9 million is reported separately to show legal constraints from voter-approved ballot language covenants, commitments to capital projects, and debt service, as well as enabling legislation that limits the School District's ability to use that net position for day-to-day operations. Restricted net position represents the accumulated results of all past years' Special Education and Vocational Education fund operations, as well as capital projects supported by legally restricted resources; debt service fund operations; and the net OPEB asset resulting from GASB Statement No. 75. Restricted net position increased by $37.5 million, primarily due to the increase in the net OPEB asset. The OPEB asset reflects the School District's proportionate share of the OPEB asset and is determined by an actuarial valuation. Favorable plan experience and investment results contributed to the increase in the asset.

The remaining amount of net position (deficit) of $(75.6) million was unrestricted. The $(75.6) million in unrestricted net position of governmental activities represents the accumulated results of all past years' General Education Fund operations, impacted by GASB Statement Nos. 68, 71, and 75, plus the operational results of the cooperative education special revenue funds, capital projects funds not supported by restricted resources, and the Risk Related Activity Fund. The restricted and unrestricted net position balances enable the School District to meet working capital and cash flow requirements and provide for future uncertainties. The operating results of the General Education Fund and certain special revenue funds, along with the changes in the net pension liability, net OPEB asset, and related deferred inflows and outflows, will have a significant impact on the change in unrestricted net position from year to year.

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

	Governmental Activities		Business-type Activities		Total	
	2026	2025	2026	2025	2026	2025
	(in millions)		(in millions)		(in millions)	
Revenue						
Program revenue:						
Charges for services	$ 45.7	$ 40.9	$ 0.9	$ 1.3	$ 46.6	$ 42.2
Operating grants	161.5	136.7	-	-	161.5	136.7
General revenue:						
Taxes	262.0	249.9	-	-	262.0	249.9
State aid not restricted to specific purposes	18.8	23.9	-	-	18.8	23.9
Other	9.9	9.2	-	-	9.9	9.2
Total revenue	497.9	460.6	0.9	1.3	498.8	461.9
Expenses						
Instruction	17.6	18.3	-	-	17.6	18.3
Support services	79.2	79.5	0.9	1.2	80.1	80.7
Community services	1.5	2.0	-	-	1.5	2.0
Interdistrict transfers and other	348.3	308.5	-	-	348.3	308.5
Debt service	2.0	1.8	-	-	2.0	1.8
Depreciation - Unallocated	6.8	6.6	-	-	6.8	6.6
Total expenses	455.4	416.7	0.9	1.2	456.3	417.9
Change in Net Position	42.5	43.9	-	0.1	42.5	44.0
Net Position (Deficit) - Beginning of year	49.7	5.8	(0.7)	(0.8)	49.0	5.0
Net Position (Deficit) - End of year	**$ 92.2**	**$ 49.7**	**$ (0.7)**	**$ (0.7)**	**$ 91.5**	**$ 49.0**

As reported in the statement of activities, the cost of all of our governmental activities this year was $455.4 million. Certain activities were partially funded from those who benefited from the programs ($45.7 million) or by other governments and organizations that subsidized certain programs with grants and contributions ($161.5 million). We paid the remaining public benefit portion of our governmental activities with $262.0 million in taxes and $18.8 million in unrestricted state aid and other grants. Other general revenue consists of $9.6 million in interest and investment earnings and $0.3 million in other expenses for a net other general revenue of $9.9 million. The analysis of the changes to follow is in reference to the governmental activities, as business-type activities had very little fluctuation in fiscal year 2026.

The School District experienced an increase in net position of $42.5 million in fiscal year 2026. Changes in pension and other postemployment benefit amounts recognized under GASB Statements No. 68 and No. 75 accounted for $27.7 million of the increase. Property tax revenue increased by $12.1 million, or 4.8 percent, as growth in taxable values more than offset the effect of the Headlee millage reduction. Investment earnings of $9.6 million also contributed to the increase in net position, although they were $0.9 million lower than in the prior year. These favorable factors were partially offset by other changes in revenue and expenses. Increases in charges for services and operating grants are offset by expenditure increases to support those activities.

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.

The School District's 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 $136.5 million, which is an increase of $3.6 million from last year. The primary reasons for the increase are discussed below in our analysis of major and nonmajor funds:

General Education Fund

In the General Education Fund, our principal operating fund, fund balance increased by $4.6 million to $18.8 million. The following represents significant changes in the General Education Fund:

Revenue - Revenue increased by net $26.3 million to a total of $126.1 million primarily because of aforementioned property tax increases of $0.7 million and net increases in grant revenue of $25.5 million. State grant revenue increased by $26.6 million for the Great Start Readiness Program as Michigan transitioned to a PreK for All model. This increase in state grant revenue was offset by a decrease in federal grant revenue of $1.2 million primarily due to cuts in funding for the MDHHS Health Resource Advocate grant and TRAILS grant.

Expenditures - Net expenditures increased by $26.9 million to a total of $120.3 million. Of that increase, $25.5 million was for grant expenditures to support the aforementioned statewide preschool expansion. Additionally, funds were provided to local districts during fiscal year 2026 for safety communications grants, accounting for $0.4 million of the increase in interdistrict and other expenditures.

Other Financing Sources (Uses) - Net other financing uses, consisting of transfers to other funds in excess of transfers in from other funds, decreased by $3.2 million to a total of $(1.2) million. In fiscal year 2025, additional transfers to capital projects funds were made due to available resources and the need to fund upcoming projects.

Special Education Fund

The Special Education Fund, which accounts for all revenue and expenditures related to the School District's operation of special education programs, including transfers to its constituent school districts for the operation of local special education programs, experienced a decrease in fund balance of $1.7 million to $26.7 million. The following represents significant changes in the Special Education Fund:

Revenue - Revenue increased by net $6.3 million to a total of $265.2 million primarily as a result of aforementioned property tax increases of $9.1 million offset by reductions in grant revenue of $2.4 million. The majority of the grants in this fund are Individuals with Disabilities Education Act (IDEA) grants, with most of the funds being passed through to constituent districts. The revenue and expenditures related to these grants are directly correlated to spending incurred by those constituent districts and will vary year to year.

Expenditures - Expenditures increased by $10 million to a total of $266.8 million. The majority of this increase, $10.5 million, is for increased distributions to local school districts for the operation of their special education programs, contained within the interdistrict transfers and other category of expenditures. Funding for these distributions comes from local property taxes and generally will increase when tax revenue increases. Also within that same category of expenditures is an increase of $1.5 million in payments to one local school district for the construction of a special education center program. This facility is being funded by the School District and will benefit students with autism spectrum disorder from around the county. Finally, interdistrict transfers and other expenditures saw a decrease in IDEA expenditures of $2.3 million, consistent with the decrease in revenue, due to the timing of expenditures incurred by constituent districts and submitted to the School District for reimbursement.

Other Financing Uses - Net other financing uses decreased by $0.1 million to a total of $(115,100) and consist primarily of transfers for capital projects.

Vocational Education Fund

The Vocational Education Fund, which accounts for all revenue and expenditures related to the School District's operation of vocational education programs, including transfers to its constituent school districts for the operation of local vocational education programs, experienced an increase in fund balance of $1.2 million to $9.7 million. The following represents significant changes in the Vocational Education Fund:

Revenue - Revenue increased by net $2.5 million to a total of $59.7 million as a result of an increase in property tax and state grant revenue, offset by a reduction in other state categorical aid.

Expenditures - Expenditures increased by $1.1 million to a total of $44.6 million. All expenditure categories were consistent year to year, with the exception of interdistrict transfers and other, which included payments of $0.8 million to a state grant flowthrough recipient for the Schools to Tools program.

Other Financing Sources (Uses) - Net other financing sources consist primarily of transfers to debt service and capital projects funds and increased by $0.6 million primarily due to an increase of $2.5 million in transfers required for future capital projects and a decrease of $0.9 million in transfers for debt service offset by a transfer in from the General Education Fund for STEMi mobile classroom operations. Transfers vary annually based on the available resources of the School District and need based on upcoming projects and required debt service.

Nonmajor Funds

The fund balance of our special revenue funds decreased by $0.4 million to $19.9 million primarily as a result of three factors: (1) a tuition program refund provided to participating districts caused a fund balance reduction in the Shared Services and Tuition Programs Cooperative Activities Fund of $0.4 million, (2) capital projects within the ONE Cooperative Activities Fund caused a fund balance reduction of $0.3 million, and (3) expenditure savings within the HR/Finance Consortium Cooperative Activities Fund resulted in a $0.2 million increase in fund balance.

Combined, the fund balance of our debt service funds increased by $2 million, from $23 million to $25 million. This is due to the normal payment of principal and interest on debt obligations offset by transfers in from other funds to provide for future debt service. Debt service fund balances are reserved since they can only be used to pay debt service obligations.

The fund balance of our capital projects funds decreased by $2 million, from $38.3 million to $36.3 million. This is due to expenditures for current capital projects being greater than interest on investments and transfers in from other funds.

Significant Capital Asset and Long-term Financing Activity

Capital Assets

As of June 30, 2026, the School District had $91.7 million invested in a broad range of capital assets, including land, buildings, furniture and equipment, and lease assets. This amount represents a net increase (including additions, disposals, and depreciation and amortization) of approximately $8.6 million, from last year.

	Governmental Activities		Business-type Activities		Total	
	2026	2025	2026	2025	2026	2025
Land	$ 3,288,778	$ 3,288,778	$ -	$ -	$ 3,288,778	$ 3,288,778
Construction in progress	6,089,350	4,526,550	-	-	6,089,350	4,526,550
Buildings	26,263,114	26,263,114	-	-	26,263,114	26,263,114
Furniture and equipment	41,507,445	40,023,304	1,730,590	1,691,165	43,238,035	41,714,469
Vehicles and other vehicles	1,233,110	1,168,775	-	-	1,233,110	1,168,775
Building improvements	119,748,378	107,645,747	-	-	119,748,378	107,645,747
Lease assets - Building	3,547,033	3,547,033	-	-	3,547,033	3,547,033
Lease assets - Vehicles	-	994,040	-	-	-	994,040
Subscription assets	531,835	1,843,714	-	-	531,835	1,843,714
Total capital assets	202,209,043	189,301,055	1,730,590	1,691,165	203,939,633	190,992,220
Less accumulated depreciation and amortization	110,632,940	106,329,861	1,627,872	1,597,325	112,260,812	107,927,186
Total capital assets - Net of accumulated depreciation and amortization	**$ 91,576,103**	**$ 82,971,194**	**$ 102,718**	**$ 93,840**	**$ 91,678,821**	**$ 83,065,034**

We present more detailed information about our capital assets in Note 7 to the financial statements.

Debt

At the end of this year, the School District had $33.3 million in outstanding limited tax general obligation bonded debt. The State limits the amount of general obligation debt that intermediate school districts can issue to one-ninth of 1.0 percent of the state-assessed value of all taxable property within the School District's boundaries unless the question of borrowing money or issuing bonds is submitted first to a vote of the school electors and approved by a majority of registered school electors. The School District's outstanding general obligation debt is below the statutorily imposed limit.

Other obligations include bond premiums, lease liabilities, subscription liabilities, accrued vacation pay, and sick leave. We present more detailed information about our long-term liabilities in Note 9 to the financial statements.

Currently Known Facts, Decisions, or Conditions

Our elected officials and administration consider many factors when setting the School District's June 30, 2026 budget. One of the most important factors affecting the budget is the economic condition of the State of Michigan. The fiscal year 2026 budget was adopted in June 2025 based on an estimate of property tax revenue, state aid, and grant funding. State law requires the School District to amend the budget if actual school district resources are not sufficient to fund original appropriations.

Since the School District's revenue is primarily dependent on property taxes and partially dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the projected increase of the School District's tax base and the State's ability to collect revenue to fund its appropriations to school districts. The School District has been experiencing increases in tax revenue over the last 12 fiscal years. Property tax revenue increased by 6.4 percent and 4.8 percent, or $15.0 million and $12.1 million, in 2025 and 2026, respectively. Based on projections from the Oakland County, Michigan equalization department, we anticipate 2027 tax receipts to increase by approximately 3.3 percent compared to 2026 collections.

Several consecutive years of declining property tax values during the Great Recession had an impact lasting into fiscal year 2022, with a cumulative erosion of district revenue of approximately $435.6 million, until the tax base finally recovered in 2023. Nearly 76 percent of this decline is special education property tax, which flows through to school districts in Oakland County, Michigan (the "County"). Taxable values of Oakland County, Michigan properties have stabilized and have begun to rebound, with 4.9 percent growth projected for 2026 and 3.9 percent growth projected for 2027 and 2028.

Related to the increase in taxable values are ongoing Michigan Tax Tribunal (MTT) judgments. There has been a backlog of cases that the State is attempting to process. Not all MTT judgments result in a reduction in taxable value for the plaintiff, although a good number of them do. These judgments often result in a refund of previously collected property taxes that the County must provide to a plaintiff, and the County passes these costs on to the respective municipalities and school districts, such as Oakland Schools. At the time of this publication, Oakland Schools is using the same information that the Oakland County, Michigan government has developed for determining the liability exposure to MTT appeals. As a result, we have determined that a reserve of $1.2 million is appropriate to address successful property tax appeals through the School District's fiscal year ending June 30, 2027.

Michigan's May 2026 consensus revenue estimates project continued growth in School Aid Fund revenue, with an increase of 2.7 percent for the State's fiscal year 2026 and 2.3 percent for fiscal year 2027. While these estimates indicate a relatively stable near-term revenue outlook, state funding remains subject to economic conditions and future legislative action. Inflation, employee benefit costs, enrollment trends, and uncertainty surrounding federal funding and grant requirements continue to affect the School District's financial planning. The School District will continue to monitor state budget actions and guidance from the Michigan Department of Education, as well as federal funding requirements, to assess revenue projections, maintain compliance, and support the recovery of eligible costs. Oakland Schools' unassigned fund balance in the General Education Fund of $5.2 million and restricted fund balances in the Special Education Fund of $26.7 million and Vocational Education Fund of $9.7 million are sufficient to meet any unanticipated shortfalls the State may experience in the School Aid Fund in fiscal year 2027.

The basic structure of the Michigan Public School Employees' Retirement System, including cost support provided by the School Aid Fund, will continue in 2027. The overall contribution rate is expected to decrease to 41 percent from 45 percent, with the net cost to the School District approximating 28 percent. While the net cost to the School District decreases marginally, the School Aid Fund implication is that significant resources are redirected from the funding of operations to the support of the retirement system funding requirement.

Contacting the School District's Management

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the department of financial services at 2111 Pontiac Lake Road, Waterford, MI 48328 or by telephone at (248) 209-2122.

Oakland Schools

Statement of Net Position

June 30, 2026

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 4)	$ 161,205,090	$ 100,215	$ 161,305,305
Receivables:			
Property taxes receivable	1,270,665	-	1,270,665
Accrued interest receivable	310,171	318	310,489
Other receivables	430,009	1,076	431,085
Due from other governments	23,219,294	48,266	23,267,560
Inventories	-	54,403	54,403
Prepaid expenses and other assets	400,382	-	400,382
Restricted assets (Notes 2 and 4)	14,509,500	-	14,509,500
Net OPEB asset (Note 12)	28,546,002	139,494	28,685,496
Capital assets: (Note 7)			
Land and construction in progress	9,378,128	-	9,378,128
Depreciable and amortizable capital assets, less accumulated depreciation and amortization of $112,260,812	82,197,975	102,718	82,300,693
Total assets	321,467,216	446,490	321,913,706
Deferred Outflows of Resources			
Deferred pension costs (Note 12)	23,225,883	266,663	23,492,546
Deferred OPEB costs (Note 12)	4,921,150	58,504	4,979,654
Total deferred outflows of resources	28,147,033	325,167	28,472,200
Liabilities			
Accounts payable	8,559,222	9,473	8,568,695
Due to other governmental units	27,021,843	7,401	27,029,244
Accrued liabilities and other	7,005,232	13,957	7,019,189
Unearned revenue (Note 6)	14,907,016	171	14,907,187
Noncurrent liabilities:			
Due within one year:			
Provision for compensated absences (Note 9)	397,415	-	397,415
Bonds, leases, and subscriptions payable (Note 9)	16,730,993	-	16,730,993
Due in more than one year:			
Provision for compensated absences - Net of current portion (Note 9)	3,576,734	-	3,576,734
Bonds, leases, and subscriptions payable - Net of current portion (Note 9)	21,314,968	-	21,314,968
Net pension liability (Note 12)	91,315,582	968,729	92,284,311
Total liabilities	190,829,005	999,731	191,828,736
Deferred Inflows of Resources			
Deferred benefit on bond refunding (Note 9)	1,577,613	-	1,577,613
Revenue in support of pension contributions made subsequent to the report date (Note 12)	7,400,811	75,922	7,476,733
Deferred pension cost reductions (Note 12)	32,617,877	185,427	32,803,304
Deferred OPEB cost reductions (Note 12)	24,974,497	192,377	25,166,874
Total deferred inflows of resources	66,570,798	453,726	67,024,524
Net Position (Deficit)			
Net investment in capital assets	50,930,264	102,718	51,032,982
Restricted:			
Special education	29,138,696	-	29,138,696
Vocational education	34,498,982	-	34,498,982
Debt service	24,690,755	-	24,690,755
Net OPEB asset	28,546,002	139,494	28,685,496
Unrestricted	(75,590,253)	(924,012)	(76,514,265)
Total net position (deficit)	**$ 92,214,446**	**$ (681,800)**	**$ 91,532,646**

See notes to financial statements.

Oakland Schools

Statement of Activities

Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
Primary government:						
Governmental activities:						
Instruction:						
Special education	$ 1,325,699	$ -	$ 176,100	$ (1,149,599)	$ -	$ (1,149,599)
Vocational education	12,870,286	564,152	2,682,615	(9,623,519)	-	(9,623,519)
Other instruction	3,401,948	6,208,120	80,659	2,886,831	-	2,886,831
Support services	79,179,981	38,976,915	23,862,443	(16,340,623)	-	(16,340,623)
Community services	1,452,862	-	1,493,322	40,460	-	40,460
Interdistrict transfers and other	348,362,902	-	133,223,234	(215,139,668)	-	(215,139,668)
Interest and other	1,848,254	-	-	(1,848,254)	-	(1,848,254)
Other debt costs	167,566	-	-	(167,566)	-	(167,566)
Unallocated depreciation and amortization (excludes direct depreciation and amortization expenses of various programs) (Note 7)	6,827,925	-	-	(6,827,925)	-	(6,827,925)
Total governmental activities	455,437,423	45,749,187	161,518,373	(248,169,863)	-	(248,169,863)
Business-type activities - Includes depreciation expense of $30,547	935,128	944,476	-	-	9,348	9,348
Total primary government	**$ 456,372,551**	**$ 46,693,663**	**$ 161,518,373**	(248,169,863)	9,348	(248,160,515)
General revenue (expense):						
Taxes:						
Property taxes levied for general education purposes				15,564,198	-	15,564,198
Property taxes levied for special education purposes				197,965,684	-	197,965,684
Property taxes levied for vocational education purposes				48,421,951	-	48,421,951
State aid not restricted to specific purposes				18,829,059	-	18,829,059
Interest and investment earnings				9,641,685	6,507	9,648,192
Loss on disposal of capital assets				(16,254)	-	(16,254)
Other				305,124	-	305,124
Total general revenue				290,711,447	6,507	290,717,954
Change in Net Position				42,541,584	15,855	42,557,439
Net Position (Deficit) - Beginning of year				49,672,862	(697,655)	48,975,207
Net Position (Deficit) - End of year				**$ 92,214,446**	**$ (681,800)**	**$ 91,532,646**

See notes to financial statements.

Oakland Schools

Governmental Funds
Balance Sheet

June 30, 2026

	General Education Fund	Special Education Fund	Vocational Education Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments (Note 4)	$ 38,262,810	$ 28,732,984	$ 13,039,229	$ 73,879,810	$ 153,914,833
Receivables:					
Property taxes receivable	75,498	960,284	234,883	-	1,270,665
Accrued interest receivable	83,937	41,619	12,109	154,034	291,699
Other receivables	132,939	2,066	52,899	242,105	430,009
Due from other governments	3,526,149	17,384,667	1,382,244	926,234	23,219,294
Prepaid expenditures	194,770	53,441	102,329	49,842	400,382
Restricted assets (Notes 2 and 4)	-	-	-	14,509,500	14,509,500
Total assets	**$ 42,276,103**	**$ 47,175,061**	**$ 14,823,693**	**$ 89,761,525**	**$ 194,036,382**
Liabilities					
Accounts payable	$ 4,740,361	$ 208,674	$ 558,021	$ 3,021,472	$ 8,528,528
Due to other governmental units	3,797,716	18,639,295	1,335,211	3,249,621	27,021,843
Accrued payroll and other liabilities	1,098,080	1,549,574	3,061,280	920,925	6,629,859
Unearned revenue (Note 6)	13,439,951	39,493	121,293	1,306,279	14,907,016
Total liabilities	23,076,108	20,437,036	5,075,805	8,498,297	57,087,246
Deferred Inflows of Resources - Unavailable revenue (Note 6)	390,136	24,234	-	-	414,370
Total liabilities and deferred inflows of resources	23,466,244	20,461,270	5,075,805	8,498,297	57,501,616
Fund Balances					
Nonspendable - Prepaid expenditures	194,770	53,441	102,329	49,842	400,382
Restricted:					
Debt service	-	-	-	25,009,099	25,009,099
Special education	-	26,660,350	-	2,424,905	29,085,255
Vocational education	-	-	9,645,559	24,751,057	34,396,616
Committed:					
Capital projects	-	-	-	9,151,884	9,151,884
Special revenue funds	-	-	-	19,876,441	19,876,441
Assigned - Multiple projects	13,389,600	-	-	-	13,389,600
Unassigned	5,225,489	-	-	-	5,225,489
Total fund balances	18,809,859	26,713,791	9,747,888	81,263,228	136,534,766
Total liabilities, deferred inflows of resources, and fund balances	**$ 42,276,103**	**$ 47,175,061**	**$ 14,823,693**	**$ 89,761,525**	**$ 194,036,382**

See notes to financial statements.

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

June 30, 2026

Fund Balances Reported in Governmental Funds	$ 136,534,766
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (including right-of-use assets) used in governmental activities are not financial resources and are not reported in the funds:	
Cost of assets	202,209,043
Accumulated depreciation and amortization	(110,632,940)
Net capital assets (including right-of-use assets) used in governmental activities	91,576,103
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	414,370
Deferred inflows and outflows related to bond refundings are not reported in the funds	(1,577,613)
Bonds payable including premium, lease liabilities, and subscription liabilities are not due and payable in the current period and are not reported in the funds	(38,045,961)
Accrued interest is not due and payable in the current period and is not reported in the funds	(318,344)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Net pension liability and related deferred inflows and outflows	(100,707,576)
Net OPEB asset and related deferred inflows and outflows	8,492,655
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	(7,400,811)
Internal service funds are included as part of governmental activities	3,246,857
Net Position of Governmental Activities	**$ 92,214,446**

Oakland Schools

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

Year Ended June 30, 2026

	General Education Fund	Special Education Fund	Vocational Education Fund	Formerly Major - Capital Projects - CFE Campus Renovations	Nonmajor Governmental Funds	Total Governmental Funds
Revenue						
Local sources	$ 21,346,861	$ 201,289,652	$ 50,301,947	$ -	$ 42,468,289	$ 315,406,749
State sources	101,275,304	12,543,231	7,481,971	-	1,896,489	123,196,995
Federal sources	2,923,110	51,103,195	1,842,077	-	3,738,689	59,607,071
Other	555,023	280,155	69,010	-	-	904,188
Total revenue	126,100,298	265,216,233	59,695,005	-	48,103,467	499,115,003
Expenditures						
Current:						
Instruction	81,605	435,165	16,541,354	-	5,130,633	22,188,757
Support services	34,084,151	26,601,664	23,824,675	-	17,003,448	101,513,938
Community services	533,072	969,911	-	-	-	1,502,983
Debt service:						
Principal	167,451	215,617	239,958	-	2,094,433	2,717,459
Interest and other	18,349	55,644	4,945	-	1,398,537	1,477,475
Other debt costs	-	-	-	-	167,566	167,566
Capital outlay	117,851	345,939	224,715	-	17,087,985	17,776,490
Interdistrict transfers and other	85,302,281	238,203,843	3,728,635	-	21,128,143	348,362,902
Total expenditures	120,304,760	266,827,783	44,564,282	-	64,010,745	495,707,570
Excess of Revenue Over (Under) Expenditures	5,795,538	(1,611,550)	15,130,723	-	(15,907,278)	3,407,433
Other Financing Sources (Uses)						
Face value of debt issued	-	-	-	-	18,470,000	18,470,000
Premium on debt issued	-	-	-	-	2,309,582	2,309,582
Transfers in (Note 8)	395,772	-	1,000,000	-	26,900,680	28,296,452
Payment to bond refunding escrow agent (Note 9)	-	-	-	-	(20,606,527)	(20,606,527)
Transfers out (Note 8)	(1,638,400)	(115,100)	(14,923,100)	-	(11,619,852)	(28,296,452)
Total other financing (uses) sources	(1,242,628)	(115,100)	(13,923,100)	-	15,453,883	173,055
Net Change in Fund Balances	4,552,910	(1,726,650)	1,207,623	-	(453,395)	3,580,488
Fund Balances - Beginning of year, as previously reported	14,256,949	28,440,441	8,540,265	23,641,091	58,075,532	132,954,278
Change within Financial Reporting Entity (Note 2)	-	-	-	(23,641,091)	23,641,091	-
Fund Balances - Beginning of year, as adjusted	14,256,949	28,440,441	8,540,265	-	81,716,623	132,954,278
Fund Balances - End of year	**$ 18,809,859**	**$ 26,713,791**	**$ 9,747,888**	**$ -**	**$ 81,263,228**	**$ 136,534,766**

See notes to financial statements.

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

Year Ended June 30, 2026

Net Change in Fund Balances Reported in Governmental Funds	$	3,580,488
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:		
Capitalized capital outlay		15,449,088
Depreciation and amortization expense		(6,827,925)
Net book value of assets disposed of		(16,254)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available		176,100
Revenue in support of pension contributions made subsequent to the measurement date		(1,295,842)
Issuing debt, net of premiums and discounts, provide current financial resources to governmental funds but increase long-term liabilities in the statement of net position		(20,779,582)
Repayment of bond principal, lease, and subscription liabilities is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt, lease, and subscription liabilities); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds		22,975,359
Interest expense is recognized in the government-wide statements as it accrues		(22,152)
Some employee costs (pension and OPEB) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds		28,998,379
Internal service funds are included as part of governmental activities		303,925
Change in Net Position of Governmental Activities	**$**	**42,541,584**

Proprietary Funds
Statement of Net Position

June 30, 2026

	Production Print Enterprise Fund	Internal Service Fund
Assets		
Current assets:		
Cash (Note 4)	$ 100,215	$ 7,290,257
Receivables:		
Accrued interest receivable	318	18,472
Other receivables	1,076	-
Due from other governments	48,266	-
Inventories	54,403	-
Total current assets	204,278	7,308,729
Noncurrent assets:		
Net OPEB asset (Note 12)	139,494	-
Capital assets - Net of accumulated depreciation of $1,627,872 (Note 7)	102,718	-
Total assets	446,490	7,308,729
Deferred Outflows of Resources (Note 12)		
Deferred pension costs	266,663	-
Deferred OPEB costs	58,504	-
Total deferred outflows of resources	325,167	-
Liabilities		
Current liabilities:		
Accounts payable	9,473	30,694
Due to other governmental units	7,401	-
Accrued liabilities and other	13,957	57,029
Unearned revenue	171	-
Provision for compensated absences (Note 9)	-	397,415
Total current liabilities	31,002	485,138
Noncurrent liabilities:		
Provision for compensated absences - Net of current portion (Note 9)	-	3,576,734
Net pension liability (Note 12)	968,729	-
Total liabilities	999,731	4,061,872
Deferred Inflows of Resources (Note 12)		
Revenue in support of pension contributions made subsequent to the report date	75,922	-
Deferred pension cost reductions	185,427	-
Deferred OPEB cost reductions	192,377	-
Total deferred inflows of resources	453,726	-
Net Position (Deficit)		
Net investment in capital assets	102,718	-
Restricted - Net OPEB asset	139,494	-
Unrestricted	(924,012)	3,246,857
Total net position (deficit)	**$ (681,800)**	**$ 3,246,857**

See notes to financial statements.

Proprietary Funds
Statement of Revenue, Expenses, and Changes in Fund Net Position

Year Ended June 30, 2026

	Production Print Enterprise Fund	Internal Service Fund
Operating Revenue		
Charges for services	$ 807,397	$ -
Charges to other funds	-	9,652,149
Other	137,079	-
Total operating revenue	944,476	9,652,149
Operating Expenses		
Premiums, reinsurance, and administrative fees - Health, dental, vision, and other	-	9,081,123
Severance/Compensated absence	-	493,446
Production print operations	904,581	-
Depreciation and amortization	30,547	-
Total operating expenses	935,128	9,574,569
Operating Income	9,348	77,580
Other Nonoperating Revenue - Interest income	6,507	226,345
Change in Fund Net Position	15,855	303,925
Net Position (Deficit) - Beginning of year	(697,655)	2,942,932
Net Position (Deficit) - End of year	**$ (681,800)**	**$ 3,246,857**

See notes to financial statements.

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2026

	Production Print Enterprise Fund	Internal Service Fund
Cash Flows from Operating Activities		
Receipts from customers	$ 794,501	$ -
Receipts from other funds	-	9,655,522
Payments for production print operations	(902,973)	-
Payments to other funds	-	(9,259,280)
Net cash (used in) provided by operating activities	(108,472)	396,242
Cash Flows from Investing Activities		
Interest received on investments	6,507	226,345
Purchase of capital assets	(39,425)	-
Net cash (used in) provided by investing activities	(32,918)	226,345
Net (Decrease) Increase in Cash	(141,390)	622,587
Cash - Beginning of year	241,605	6,667,670
Cash - End of year	**$ 100,215**	**$ 7,290,257**
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income	$ 9,348	$ 77,580
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization expense	30,547	-
Changes in assets and liabilities and deferred inflows and outflows of resources:		
Receivables	(12,896)	3,373
Inventories and prepaids	20,092	-
Accounts payable	(1,592)	(23,130)
Due to other governmental units	4,144	-
Net pension liability or OPEB asset	(149,681)	-
Deferrals related to pension or OPEB	12,602	-
Accrued and other liabilities	(21,036)	30,622
Accrued benefits	-	307,797
Total adjustments	(117,820)	318,662
Net cash (used in) provided by operating activities	**$ (108,472)**	**$ 396,242**

See notes to financial statements.

Fiduciary Fund
Statement of Fiduciary Net Position

June 30, 2026

	Custodial Fund
Assets - Cash (Note 4)	$ 54,315
Liabilities - Accounts payable	1,412
Net Position - Unrestricted	**$ 52,903**

See notes to financial statements.

Fiduciary Fund
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2026

	Custodial Fund
Additions - Dues and contributions	$ 37,480
Deductions - Disbursements for activities	37,828
Net Decrease in Fiduciary Net Position	(348)
Net Position - Beginning of year	53,251
Net Position - End of year	**$ 52,903**

See notes to financial statements.

Note 1 - Nature of Business

Oakland Schools (the "School District") is an educational service agency in the state of Michigan that provides a broad spectrum of services and support to various school districts within Oakland County, Michigan (the "County"). The School District also provides direct special educational and vocational educational services at several sites throughout the County. The School District is responsible for compliance monitoring, professional development, grant management, a wide array of reporting functions, and many more support services for its constituent districts.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

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

Reporting Entity

The County elected its first county commissioner of schools (the "Commissioner") in 1923. The Commissioner had oversight of 175 districts in the County. In 1941, the residents of the County, under the authority of Public Act (P.A.) 117 of 1935, elected the County's first county school board. On March 28, 1963, the county district became a public corporation under P.A. 190 of 1962, formally establishing the Oakland Intermediate School District (Oakland Schools). The School District is not included in any other governmental reporting entity since the School District’s Board of Education members are elected by local school boards and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. This report includes all activities of the School District and all activities considered to be controlled by the Board of Education. In accordance with government accounting principles, no component units are required to be reported within these financial statements.

Report Presentation

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

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

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between business-type activities and various other functions. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Note 2 - Significant Accounting Policies (Continued)

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

Fund Accounting

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

Governmental Funds

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

- The General Education Fund is used to account for the general operations of the School District pertaining to support services and those operations not provided for in another fund.
- The Special Education Fund is used to account for all revenue and expenditures related to the School District's operation of special education programs, including transfers to its constituent districts for the operation of local special education programs. The primary revenue sources are local tax millages and state and federal special education grants.
- The Vocational Education Fund is used to account for all revenue and expenditures related to the School District's operation of vocational education programs, including transfers to its constituent districts for the operation of local vocational education center programs. The primary revenue sources are countywide tax millages, as well as state and federal vocational education grants.

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

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. Any operating deficit generated by these activities is the responsibility of the General Education Fund. The nonmajor special revenue funds maintained by the School District are as follows:

- The Shared Services and Tuition Programs Cooperative Activities Fund is used to provide noninstructional services to constituent districts on a cost-recovery basis. This fund also contains the activities of two tuition-based programs:

  - Virtual Learning Academy Consortium K-8 (VLAC K-8) and Virtual Learning Academy Consortium 9-12 (VLAC 9-12) - These programs are tuition-based virtual school programs for children in kindergarten through 8th grade and 9th through 12th grades, respectively.

  - Oakland Accelerated College Experience (Oakland ACE) - Oakland ACE is a tuition-based early college program for students in participating Oakland County school districts.

- The Oakland Network for Education (ONE) Cooperative Activities Fund is used to provide services through advanced voice, video, and data network infrastructure in order to build a stronger learning community within Oakland Schools' boundaries. Its primary revenue source is fees earned by Oakland Schools through the fee-for-service program.

Note 2 - Significant Accounting Policies (Continued)

- The Medicaid Cooperative Activities Fund is used to account for all Medicaid billing operations. The Medicaid School Services program is co-funded by the state and federal governments and reimburses schools for some of the costs related to providing health care services to children of low-income families.
- The HR/Finance Consortium Cooperative Activities Fund is a collaborative effort between Oakland Schools and 21 local school districts for a new financial/human resources software business application. Participating districts pay a per student fee to Oakland Schools, which will in turn pay the vendor for conversion costs, software maintenance agreements, etc.
- The School Activities Fund is used to account for all student and other group activities managed by the School District. Revenue sources for the School Activities Fund include fundraising revenue and donations earned and received by student or other groups over which the School District exercises administrative control.

A capital projects fund is established for the Administration Building Capital Projects Fund. This fund is utilized to record transactions associated with capital asset acquisition, renovation, or improvement.

The CFE Campus Renovations Capital Projects Fund is used to record transactions associated with capital asset acquisition, renovation, or improvement at the four vocational education technical campuses. The fund arose from transfers from the General Education and Vocational Education funds in the current and previous years.

Debt service funds are used to record interest and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

- The Qualified School Construction Bond (QSCB) Debt Service Fund is used to record transfers from the General Education, Special Education, ONE Cooperative Activities, and capital projects funds in order to defease the QSCB debt and provide annual transfers to a QSCB reserve fund established in fiscal year 2011. The QSCB Reserve Debt Service Fund is used to pay the required debt service payment coming due in fiscal year 2027.
- The 2016 Refunding Bonds Debt Service Fund was used to account for the advance refunding of the 2007 bonds and contained transfers from the Vocational Education Fund to be used to pay debt principal and interest on outstanding bond obligations up until the point of the 2026 Refunding Bonds issuance discussed below.
- The 2026 Refunding Bonds Debt Service Fund is used to account for the refunding of the 2016 Refunding bonds. The proceeds from the refunding is used to pay debt principal and interest on outstanding bond obligations.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the School District).

The Production Print Enterprise Fund is used to report activities for which there is a fee to external users for goods and services. The results of the Production Print Enterprise Fund are included in business-type activities in the statement of net position and statement of activities.

The School District's internal service fund accounts for all of the School District's insurance programs and employee compensated absences provided to other funds of the School District on a cost-reimbursement basis and provides a claims fluctuation reserve for future insurance liabilities. All revenue and expenses not meeting these definitions are reported as nonoperating revenue and expenses.

Note 2 - Significant Accounting Policies (Continued)

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the School District's programs. The School District maintains a custodial fund to record the transactions of administrative groups. The funds are segregated and are held for the groups.

Interfund Activity

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

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

Basis of Accounting

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

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

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

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

Specific Balances and Transactions

Cash and Investments

Cash and investments include cash on hand, demand deposits, and highly liquid investments with a maturity of less than three months when acquired. Investments are stated at fair value, except for investments in external investment pools, which are valued at amortized cost or net asset value.

Note 2 - Significant Accounting Policies (Continued)

Inventories and Prepaid Items

Inventories consist primarily of instructional materials and are valued at cost, determined on the basis of average cost. Enterprise fund-type inventories are recorded as expenditures when sold. Inventories are recorded on the consumption method.

Payments made for services that will benefit periods beyond June 30, 2026 are recorded as prepaid expenditures. Prepaid expenditures recorded in the governmental fund types do not reflect current appropriable resources, and, thus, an equivalent portion of fund balance is considered nonspendable. Prepaid expenditures are recorded on the consumption method.

Restricted Assets

Restricted assets on the statement of net position and the governmental funds balance sheet represent the cash associated with the Qualified School Construction Bonds and can only be used for the purpose for which the bonds were issued and to service the associated debt.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Additionally, the School District capitalizes building improvements of $50,000 or more. Routine repairs and maintenance are charged to operating expenses in the year in which the expense was incurred. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

	Depreciable/ Amortizable Life - Years
Buildings	50
Building improvements	7-30
Equipment	5-10
Furniture	10
Vehicles other than buses	7
Lease assets - Building	2-13
Lease assets - Vehicle	5
Subscription assets	2-5

Long-term Obligations

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

Note 2 - Significant Accounting Policies (Continued)

Leases

The School District is a lessee for noncancelable leases of office space and a vehicle. The School District recognizes a lease liability and an intangible right-of-use lease asset (lease asset) in the applicable governmental or business-type activities column in the government-wide financial statements. The School District recognizes lease assets and liabilities with an initial value of $5,000 or more.

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

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

- The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise.

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

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

Subscriptions

The School District obtains the right to use vendors' information technology software through various long-term contracts. The School District recognizes a subscription liability and an intangible right-of-use subscription asset in the applicable governmental column in the government-wide financial statements.

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

Key estimates and judgments related to subscriptions include how the School District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

The School District uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancelable period of the subscription.

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

Note 2 - Significant Accounting Policies (Continued)

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows/Inflows of Resources

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

The School District reports deferred outflows related to deferred pension and OPEB plan costs.

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

The School District reports deferred inflows related to deferred benefit on bond refundings and revenue in support of pension contributions made subsequent to the measurement date and deferred pension and OPEB plan cost reductions. The other deferred inflows reported related to unavailable revenue, which arises only under the modified accrual basis of accounting and is, therefore, reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Note 2 - Significant Accounting Policies (Continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

The Board of Education assigned approximately $13.4 million of General Education Fund fund balance to support planned capital improvements, as well as countywide educational and operational initiatives, including programs related to artificial intelligence, leadership development, business office staffing, human resources initiatives, and school safety.

The fund balance policy prescribes the minimum fund balance as at least 15 percent of expected operating expenditures in the General Education Fund and Vocational Education Fund and at least 5 percent of expected operating expenditures less payments to local school districts in the Special Education Fund. This is deemed to be the prudent amount to maintain the School District's ability to meet obligations as they come due throughout the year.

Property Tax Revenue

Real and personal properties are assessed as of December 31, and the related property taxes are levied and become a lien on July 1 of the following year for the portion of the taxes that is due on September 14 and on December 1 for the remainder of the property taxes that is due on February 14. The final collection date is February 28, after which they are added to the county tax rolls. The available period for property tax revenue recognition in the governmental fund financial statements is limited to 60 days.

The delinquent real property taxes of the School District are purchased by the County of Oakland, Michigan. The County of Oakland, Michigan intends to sell tax notes, the proceeds of which will be used to pay the School District for these property taxes. These taxes have been recorded as revenue for the current year.

Note 2 - Significant Accounting Policies (Continued)

Grants and Contributions

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

Pension and Other Postemployment Benefit (OPEB) Plans

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

Compensated Absences (Vacation and Sick Leave)

Unused vacation time accumulates up to a maximum level until termination of employment. Upon termination of employment, the School District pays out the employee’s accumulated vacation days at his or her current per diem. Employees accumulate sick leave at a rate of 13 days per year. It is the policy of Oakland Schools that, upon resignation or retirement with 90 days’ notice, an employee shall be paid separation at $70.00 per day for all sick days accumulated up to 100 days and half of his or her unused accumulated sick leave at the rate of $17.50 per day for days accumulated over 100 days. Without 90 days’ notice, an employee is paid half of his or her unused accumulated sick leave at the rate of $17.50 per day. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The liability for compensated absences reported in the proprietary and government-wide statements consists of unpaid, accumulated vacation, and sick leave balances.

Proprietary Funds Operating and Nonoperating Classification

Proprietary funds distinguish operating revenue and expenses from noncapital subsidies and other nonoperating revenue and expenses. Nonoperating revenue and expenses include contributions to permanent and term endowments, finance-related revenue and expenses, gains and losses from disposals of capital assets and inventory, investment income and expenses, and subsidies received and provided. A subsidy represents amounts received from or provided to another party or fund of the School District. Amounts received from another party or fund are considered a subsidy if it is unrelated to the services provided by the proprietary fund and keeps the fees charged at the same amount or lower if the subsidy was not received. Amounts provided to the other party or fund are considered a subsidy if it is unrelated to the goods or services provided by those parties and will generally result in the proprietary charging higher fees in the future. All revenue and expenses not meeting the definitions of nonoperating revenue and expenses are reported as operating revenue and expenses.

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

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

Accounting Changes

Adoption of New Accounting Pronouncement

During the current year, the School District adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The implementation of this standard established new accounting and financial reporting requirements or modified existing requirements related to management's discussion and analysis, the classification/presentation of unusual or infrequent items, the presentation of proprietary fund operating and nonoperating activities, and the budgetary comparison disclosures in the required supplementary information. The implementation of this standard did not result in a change to the School District's total net position or fund balances; however, management's discussion and analysis and budgetary comparison schedules were modified to confirm to the new presentation requirements.

Changes to or within the Financial Reporting Entity

Change in Major Funds

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

Adjustments to Beginning Balances

	June 30, 2025 As Previously Reported	Change to or within the Financial Reporting Entity	June 30, 2025 As Adjusted
Governmental funds:			
Major funds:			
General Education Fund	$ 14,256,949	$ -	$ 14,256,949
Special Education Fund	28,440,441	-	28,440,441
Vocational Education Fund	8,540,265	-	8,540,265
Formerly Major - Capital Projects - CFE Campus Renovations	23,641,091	(23,641,091)	-
Nonmajor funds	58,075,532	23,641,091	81,716,623
Total governmental funds	$ 132,954,278	$ -	$ 132,954,278

Upcoming Accounting Pronouncement

In December 2025, the Governmental Accounting Standards Board issued Statement No. 105, *Subsequent Events*, which improves financial reporting requirements for subsequent events by clarifying the subsequent events time frame and the distinction between recognized and nonrecognized events. This statement also establishes specific note disclosure requirements and requires disclosure of the date through which subsequent events have been evaluated. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2027.

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Education Fund and all special revenue funds except that transfers have been included in the revenue and expenditures categories rather than as other financing sources (uses), and capital outlay expenditures are included in the functional categories to which they relate in accordance with the adopted budget of the School District. All annual appropriations lapse at fiscal year end. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. There are no encumbrances outstanding at year end.

Excess of Expenditures Over Appropriations in Budgeted Funds

The School District did not have significant expenditure budget variances.

Fund Deficit

Under Michigan law, school districts are required to maintain positive fund balance in each fund. The School District has an accumulated net position deficit in the Print Production Enterprise Fund. The deficit in the Print Production Enterprise Fund is due to the inclusion of the Print Production Enterprise Fund's proportionate share of the net pension liability and will be eliminated through future required contributions to the Michigan Public School Employees' Retirement System.

Note 4 - Deposits and Investments

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

The School District has designated three banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost, except for a 1-day minimum investment period on MILAF cash management funds and a 14-day redemption limitation on MILAF MAX Class funds.

The investment policy adopted by the board additionally requires the investment officer to obtain bids from at least two brokers or financial institutions on all purchases of investment instruments on the secondary market.

Note 4 - Deposits and Investments (Continued)

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level for custodial credit risk be used for the School District's deposits. At year end, the School District had bank deposits totaling $122,529,244 (checking and savings accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment policy states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. At June 30, 2026, the School District does not have investments with custodial credit risk, as all investments were held directly by the School District.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy adopted by the board minimizes interest rate risk 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; 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.

At year end, the School District had the following investments with interest rate risk:

Investment	Value	Average Maturity (Years)
Primary Government		
Resolution Funding Corporation STRIPS	$ 5,959,221	0.79
U.S. Treasury STRIPS	4,731,703	0.63
U.S. Treasury notes	3,160,963	0.83
Total	$ 13,851,887	

Note 4 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices. At June 30, 2026, the School District had no investments in commercial paper, held by an agent in the School District's name. As of year end, the credit quality ratings of investments are as follows:

Investment	Value	Rating	Rating Organization
Primary Government			
U.S. Treasury STRIPS	$ 4,731,703	AA+	Standard & Poor's
U.S. Treasury notes	3,160,963	AA+	Standard & Poor's
Resolution Funding Corporation STRIPS	5,959,221	AA+	Standard & Poor's
MILAF - Cash management and MAX Classes	37,868,830	AAAm	Standard & Poor's
Total	$ 51,720,717		

Concentration of Credit Risk

The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The investments in Resolution Funding Corporation STRIPS represent investments approximately equal to 11.5 percent of investments.

Foreign Currency Risk

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

Note 5 - Fair Value Measurements

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The School District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Note 5 - Fair Value Measurements (Continued)

The School District has the following fair value measurements as of June 30, 2026:

	Significant Other Observable Inputs (Level 2)
Available-for-sale debt securities:	
U.S. Treasury STRIPS	$ 4,731,703
U.S. Treasury notes	3,160,963
Resolution Funding Corporation STRIPS	5,959,221
Total	$ 13,851,887

Note 6 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned. At June 30, 2026, the School District had approximately $414,000 of unavailable revenue, primarily related to amounts due from other governmental units not received timely, and approximately $14,907,000 of unearned revenue, primarily related to grant and categorical aid payments received prior to meeting all eligibility requirements.

Note 7 - Capital Assets

Capital asset activity of the School District's governmental and business-type activities was as follows:

Governmental Activities

	Balance July 1, 2025	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2026
Capital assets not being depreciated or amortized:					
Land	$ 3,288,778	$ -	$ -	$ -	$ 3,288,778
Construction in progress	4,526,550	(3,138,407)	4,701,207	-	6,089,350
Subtotal	7,815,328	(3,138,407)	4,701,207	-	9,378,128
Capital assets being depreciated or amortized:					
Buildings	26,263,114	-	-	-	26,263,114
Furniture and equipment	40,023,304	764,139	809,022	(89,020)	41,507,445
Vehicles other than buses	1,168,775	-	210,496	(146,161)	1,233,110
Building improvements	107,645,747	2,374,268	9,728,363	-	119,748,378
Lease assets - Building (Note 10)	3,547,033	-	-	-	3,547,033
Lease assets - Vehicle	994,040	-	-	(994,040)	-
Subscription assets	1,843,714	-	-	(1,311,879)	531,835
Subtotal	181,485,727	3,138,407	10,747,881	(2,541,100)	192,830,915
Accumulated depreciation and amortization:					
Buildings	12,410,937	-	502,954	-	12,913,891
Furniture and equipment	34,718,002	-	1,412,530	(72,766)	36,057,766
Vehicles other than buses	667,059	-	76,787	(146,161)	597,685
Building improvements	55,463,228	-	3,764,229	-	59,227,457
Accumulated amortization - Lease assets - Building	1,084,443	-	271,111	-	1,355,554
Accumulated amortization - Lease assets - Vehicle	795,232	-	198,808	(994,040)	-
Subscription asset	1,190,960	-	601,506	(1,311,879)	480,587
Subtotal	106,329,861	-	6,827,925	(2,524,846)	110,632,940
Net capital assets being depreciated and amortized	75,155,866	3,138,407	3,919,956	(16,254)	82,197,975
Net governmental activities capital assets	$ 82,971,194	$ -	$ 8,621,163	$ (16,254)	$ 91,576,103

Business-type Activities

	Balance July 1, 2025	Additions	Disposals and Adjustments	Balance June 30, 2026
Capital assets being depreciated or amortized - Furniture and equipment	$ 1,691,165	$ 39,425	$ -	$ 1,730,590
Accumulated depreciation and amortization - Furniture and equipment	1,597,325	30,547	-	1,627,872
Net business-type activities capital assets	$ 93,840	$ 8,878	$ -	$ 102,718

Note 7 - Capital Assets (Continued)

Depreciation and amortization expense was not charged to activities, as the School District's assets benefit multiple activities, and allocation is impractical.

Construction Commitments

The School District has active construction projects at year end. The outstanding commitments as of June 30, 2026 were $12,401,373.

Note 8 - Interfund Transfers

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

The General Education Fund transferred $413,400 to the ONE Cooperative Activities Fund to provide resources for projects.

The General Education Fund transferred $25,000 to the HR/Finance Consortium Cooperative Activities Fund to provide resources for projects.

The General Education Fund transferred $1,000,000 to the Vocational Education Fund to provide resources for STEMi operating costs.

The General Education Fund transferred $200,000 to the capital projects funds to provide resources for capital projects.

The Special Education Fund transferred $6,600 to the ONE Cooperative Activities Fund to provide resources for projects.

The Special Education Fund transferred $12,500 to the HR/Finance Consortium Cooperative Activities Fund to provide resources for projects.

The Special Education Fund transferred $96,000 to the capital projects funds to provide resources for capital projects.

The Shared Services and Tuition Programs Cooperative Activities Fund transferred $268,772 to the General Education Fund to transfer indirect costs earned on shared services.

The Vocational Education Fund transferred $3,300,000 to the 2016 Refunding Bonds Debt Service Fund to provide resources for debt service.

The Vocational Education Fund transferred $6,600 to the ONE Cooperative Activities Fund to provide resources for projects.

The Vocational Education Fund transferred $12,500 to the HR/Finance Consortium Cooperative Activities Fund to provide resources for projects.

The QSCB Debt Service Fund transferred $770,000 to the QSCB Reserve Debt Service Fund to provide for annual set-aside requirements and debt service.

The Vocational Education Fund transferred $11,500,000 to the capital projects funds to provide resources for capital projects.

The HR/Finance Consortium Cooperative Activities Fund transferred $127,000 to the General Education Fund for technology hosting services.

The Vocational Education Fund transferred $104,000 to the capital projects funds to provide resources for capital projects.

The 2016 Refunding Bonds Debt Service Funds transferred $10,454,080 to the 2026 Refunding Bonds Debt Service fund to transfer assets upon fund closeout.

Note 9 - Long-term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Other debt - General obligation bonds payable	$ 36,680,000	$ 18,470,000	$ (21,880,000)	$ 33,270,000	$ 16,215,000
Unamortized bond premiums	1,914,141	2,309,582	(1,914,141)	2,309,582	230,958
Total bonds payable	38,594,141	20,779,582	(23,794,141)	35,579,582	16,445,958
Leases (Note 10)	2,890,287	-	(467,834)	2,422,453	263,929
Compensated absences	3,666,352	307,797	-	3,974,149	397,415
Subscriptions (Note 11)	663,753	-	(619,827)	43,926	21,106
Total governmental activities long-term debt	$ 45,814,533	$ 21,087,379	$ (24,881,802)	$ 42,020,110	$ 17,128,408

The School District had deferred inflows of $1,577,613 related to deferred charges on bond refundings at June 30, 2026.

Other Long-term Liabilities

Other long-term obligations consist of compensated absences of unpaid, accumulated vacation, and sick leave balances. The table above discloses the net change in the compensated absence liability of the School District. These amounts are paid for by the internal service fund and are funded by charges to the respective fund to which the eligible employee's compensation is charged.

General Obligation Bonds and Contracts

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. General obligations outstanding at June 30, 2026 are as follows:

Purpose	Remaining Annual Installments	Interest Rates	Maturing	Outstanding
Governmental Activities				
$18,470,000 Limited Tax General Obligation Refunding Bonds (2026)	$1,415,000 - $2,285,000	5%	2036	$ 18,470,000
$14,800,000 general obligation bonds (2010)	$14,800,000	6.25%*	2027	14,800,000
Total governmental activities				$ 33,270,000

*The interest payments made each year by the School District, through maturity, will be subsidized by the federal government (as shown below in the debt service requirements table).

Note 9 - Long-term Debt (Continued)

Pension Liability and OPEB Asset

See Note 12 for further information regarding this liability (asset). The net pension liability decreased by $21,427,469 from $113,711,780 as of June 30, 2025 to $92,284,311 as of June 30, 2026. The net OPEB asset increased by $8,971,498 from $19,713,998 as of June 30, 2025 to $28,685,496 as of June 30, 2026.

Debt Service Requirements to Maturity

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

Years Ending June 30	Governmental Activities			
	Principal	Interest	Maximum Interest Subsidy	Total - Net
2027	$ 16,215,000	$ 1,910,067	$ (800,680)	$ 17,324,387
2028	1,545,000	852,750	-	2,397,750
2029	1,625,000	775,500	-	2,400,500
2030	1,705,000	694,250	-	2,399,250
2031	1,790,000	609,000	-	2,399,000
2032-2036	10,390,000	1,609,000	-	11,999,000
Total	$ 33,270,000	$ 6,450,567	$ (800,680)	$ 38,919,887

Current Bond Refunding

During the year, the School District issued $18,470,000 in general obligation bonds with a premium of $2,309,582 and an interest rate of 5 percent to refund $20,270,000 of outstanding 2016 refunding bonds. The net proceeds of these bonds (after payment of $173,054 in underwriting fees, insurance, and other issuance costs) were used to purchase $20,606,527 of U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds, which were paid from the escrow account on the May 2026 call date. As a result, the bonds are considered to be defeased, and the liability for the bonds has been removed from long-term debt. The refunding reduced total debt service payments over the next 10 years by approximately $1,061,194, which represents an economic gain of approximately $1,056,598.

Note 10 - Leases

The School District leases certain facilities from various third parties. Payments are generally fixed monthly with certain variable payments not included in the measurement of the lease liability.

Lease asset activity of the School District is included in Note 7.

Future principal and interest payment requirements related to the School District's lease liability at June 30, 2026 are as follows:

Years Ending	Governmental Activities		
	Principal	Interest	Total
2027	$ 263,929	$ 80,579	$ 344,508
2028	273,316	71,192	344,508
2029	283,038	61,470	344,508
2030	293,104	51,404	344,508
2031	303,529	40,979	344,508
2032-2036	1,005,537	56,697	1,062,234
Total	$ 2,422,453	$ 362,321	$ 2,784,774

Note 11 - Subscriptions

The School District obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed annually.

Subscription asset activity of the School District is included in Note 7.

Future principal and interest payment requirements related to the School District's subscription liability at June 30, 2026 are as follows:

Years	Principal	Interest	Total
2027	$ 21,106	$ 1,274	$ 22,380
2028	22,820	101	22,921
Total	$ 43,926	$ 1,375	$ 45,301

Note 12 - Michigan Public School Employees' Retirement System

Plan Description

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

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

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care plan are established by state statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit pension plan and the postemployment health care plan.

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

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

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

Note 12 - Michigan Public School Employees' Retirement System (Continued)

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

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

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

Contributions

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

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

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

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

The ranges of rates are as follows:

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

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

Note 12 - Michigan Public School Employees' Retirement System (Continued)

The School District's required and actual pension contributions to the plan for the year ended June 30, 2026 were $20,787,601, which includes the School District's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2026, the School District's required and actual pension contributions include an allocation of $7,476,733 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2026 were $1,654,333, which includes the School District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2026, the School District reported a liability of $92,284,311 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2024, which used update procedures to roll forward the estimated liability to September 30, 2025. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2025 and 2024, the School District's proportion was approximately 0.46 and 0.46 percent, representing a change of (0.82) percent.

Net OPEB Asset

At June 30, 2026, the School District reported an asset of $28,685,496 for its proportionate share of the net OPEB asset. The net OPEB asset for fiscal year 2026 was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2024, which used update procedures to roll forward the estimated liability to September 30, 2025. The School District’s proportion of the net OPEB asset was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2025 and 2024, the School District’s proportion was approximately 0.47 and 0.46 percent, representing a change of 3.03 percent.

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

For 2026, the School District recognized pension expense of $1,179,879, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 3,574,436	$ (821,969)
Changes in assumptions	3,312,348	(4,877,448)
Net difference between projected and actual earnings on pension plan investments	-	(22,053,974)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	39,401	(5,049,913)
The School District's contributions to the plan subsequent to the measurement date	16,566,361	-
Total	$ 23,492,546	$ (32,803,304)

Note 12 - Michigan Public School Employees' Retirement System (Continued)

The $7,476,733 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2027. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2027	$ (3,900,721)
2028	(11,504,485)
2029	(8,118,087)
2030	(2,353,826)
Total	$ (25,877,119)

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

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

For the year ended June 30, 2026, the School District recognized OPEB recovery of $9,680,859.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (19,639,450)
Changes in assumptions	3,828,387	(304,235)
Net difference between projected and actual earnings on OPEB plan investments	-	(4,030,938)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	33,666	(1,192,251)
Employer contributions to the plan subsequent to the measurement date	1,117,601	-
Total	$ 4,979,654	$ (25,166,874)

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

Years Ending	Amount
2027	$ (5,783,427)
2028	(5,670,261)
2029	(5,094,237)
2030	(3,286,676)
2031	(1,128,639)
Thereafter	(341,581)
Total	$ (21,304,821)

Note 12 - Michigan Public School Employees' Retirement System (Continued)

Actuarial Assumptions

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

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

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

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

Discount Rate

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

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

Note 12 - Michigan Public School Employees' Retirement System (Continued)

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

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

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

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

The following presents the net pension liability of the School District, calculated using the discount rate depending on the plan option. The following also reflects what the School District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the School District	$ 145,629,732	$ 92,284,311	$ 47,854,403

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

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

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB asset of the School District	$ 24,714,369	$ 28,685,496	$ 32,161,091

Note 12 - Michigan Public School Employees' Retirement System (Continued)

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

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

	1 Percentage Point Decrease	Current Rate	1 Percentage Point Increase
Net OPEB asset of the School District	$ 32,129,376	$ 28,685,496	$ 25,069,534

Pension Plan and OPEB Plan Fiduciary Net Position

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

Payable to the Pension Plan and OPEB Plan

At June 30, 2026, the School District reported a payable of $2,341,733 and $120,705 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2026.

Note 13 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for property loss, employee medical benefits, workers' compensation, dental and vision, and errors and omissions; the School District is partially insured for the unemployment benefits provided to employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Vision and Dental - The School District provides vision and dental insurance with certain copay features to substantially all employees. Some plans require that the employees pay a portion of the premium. Total premiums paid by the School District were approximately $951,100 for the year ended June 30, 2026.

Unemployment - The School District is self-insured for unemployment expenses. Claims are funded by the School District and paid by the plan administrator. The School District incurred approximately $6,700 in unemployment expense for fiscal year 2026.

Workers' Compensation - The School District provides a workers' compensation plan that covers all employees. The premiums are paid for by the School District. During 2026, the premiums amounted to approximately $36,600.

Medical - The School District provides medical insurance with certain copay features to substantially all employees. Some plans require that the employee pay a portion of the premium. During 2026, the premiums paid by the School District amounted to approximately $6,677,000.

Property and General Liability - The School District is exposed to various risks of loss related to property loss and employee injuries. The School District has purchased insurance to cover losses to its buildings and contents in the amount of approximately $257.0 million. The School District has a fleet of 30 licensed vehicles and trailers, which are included in the School District's auto liability coverage. The School District has commercial general and excess liability insurance coverage in the amount of $16 million and cyber liability coverage in the amount of $3 million.

There has not been a significant reduction in insurance coverage in the current year, and settlements have not exceeded coverage for each of the past three years for the risk management liabilities.

Note 13 - Risk Management (Continued)

Provision for Uninsured Losses and Liabilities - The School District has established a reserve in the internal service fund for future uninsured losses and liabilities that may occur over time.

Note 14 - Contingencies

All funded projects established by the School District under federal, state, and local programs of education are subject to audit by the funding agency. No provision has been established in the financial statements for disallowed costs, if any, that might occur as a result of an audit by a funding agency. Any disallowed costs would become a liability of the School District; however, any such liability, in the opinion of management, is expected to be immaterial.

The School District, through its involvement in the Community Telecommunications Network (CTN), has agreed to sell excess capacity related to certain cellular phone towers. The agreement lasts for an extended period, and collections will be dependent upon collections by CTN from the sublessee. During the year ended June 30, 2026, the School District received approximately $750,000, which is reported in the General Education Fund.

Note 15 - Tax Abatements

The School District receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974), brownfield redevelopment agreements, personal property tax exemptions under PA 328 of 1998, and payment in lieu of taxes (PILOT) agreements granted by cities, villages, and townships within the boundaries of the School District. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities, brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties, the personal property tax exemption allows specific businesses in distressed communities to file for exemption from paying tax on personal property, and PILOTs compensate local governments for some or all of the real estate tax revenue that is lost due to the waiver of that revenue.

For the fiscal year ended June 30, 2026, the School District's property tax revenue was reduced by approximately $5,311,000 under these programs. The School District does not receive reimbursement for these amounts.

There are no abatements made by the School District.

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule - General Education Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget - Over (Under) Final Budget	Actual	Variance with Final Budget - (Under) Over Actual Amounts
Revenue					
Local sources	$ 21,725,000	$ 23,061,800	$ 1,336,800	$ 21,346,861	$ (1,714,939)
State sources	93,358,800	129,725,600	36,366,800	101,275,304	(28,450,296)
Federal sources	6,200,000	5,626,200	(573,800)	2,923,110	(2,703,090)
Other	726,000	722,200	(3,800)	950,795	228,595
Total revenue	122,009,800	159,135,800	37,126,000	126,496,070	(32,639,730)
Expenditures					
Current:					
Instruction	320,000	191,600	(128,400)	81,605	(109,995)
Support services:					
Pupil	2,050,000	1,380,600	(669,400)	1,304,343	(76,257)
Instructional staff	18,165,100	20,604,800	2,439,700	16,687,775	(3,917,025)
General administration	2,024,500	1,764,000	(260,500)	1,682,243	(81,757)
School administration	600	-	(600)	-	-
Business	1,693,400	1,602,800	(90,600)	1,579,727	(23,073)
Operations and maintenance	847,200	2,031,900	1,184,700	979,755	(1,052,145)
Pupil transportation services	2,570,400	3,014,300	443,900	2,223,021	(791,279)
Central	10,401,100	11,130,500	729,400	8,790,825	(2,339,675)
Other	1,325,000	1,064,700	(260,300)	954,313	(110,387)
Community services	1,100,100	847,200	(252,900)	533,072	(314,128)
Debt service	268,300	186,000	(82,300)	185,800	(200)
Interdistrict transfers and other	80,417,300	112,508,700	32,091,400	86,940,681	(25,568,019)
Total expenditures	121,183,000	156,327,100	35,144,100	121,943,160	(34,383,940)
Net Change in Fund Balance	826,800	2,808,700	1,981,900	4,552,910	1,744,210
Fund Balance - Beginning of year	14,256,949	14,256,949	-	14,256,949	-
Fund Balance - End of year	**$ 15,083,749**	**$ 17,065,649**	**$ 1,981,900**	**$ 18,809,859**	**$ 1,744,210**

See notes to required supplementary information.

Required Supplementary Information
Budgetary Comparison Schedules - Major Special Revenue Funds (Continued)
Special Education Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget - Over (Under) Final Budget	Actual	Variance with Final Budget - Over (Under) Actual Amounts
Revenue					
Local sources	$ 199,640,300	$ 201,016,800	$ 1,376,500	$ 201,289,652	$ 272,852
State sources	12,166,400	12,605,700	439,300	12,543,231	(62,469)
Federal sources	57,455,000	54,812,300	(2,642,700)	51,103,195	(3,709,105)
Other	250,000	290,000	40,000	280,155	(9,845)
Total revenue	269,511,700	268,724,800	(786,900)	265,216,233	(3,508,567)
Expenditures					
Current:					
Instruction	1,500,000	745,900	(754,100)	435,165	(310,735)
Support services:					
Pupil	16,575,900	15,998,200	(577,700)	15,158,881	(839,319)
Instructional staff	4,111,300	3,502,300	(609,000)	3,457,990	(44,310)
General administration	969,900	871,500	(98,400)	842,617	(28,883)
Business	1,472,800	1,490,700	17,900	1,231,174	(259,526)
Operations and maintenance	502,500	492,400	(10,100)	547,586	55,186
Pupil transportation services	71,400	56,800	(14,600)	58,429	1,629
Central	5,790,700	5,439,800	(350,900)	5,313,655	(126,145)
Other	389,400	395,500	6,100	337,271	(58,229)
Community services	2,842,000	2,680,600	(161,400)	969,911	(1,710,689)
Debt service	216,100	271,300	55,200	271,261	(39)
Interdistrict transfers and other	235,073,600	246,084,400	11,010,800	238,318,943	(7,765,457)
Total expenditures	269,515,600	278,029,400	8,513,800	266,942,883	(11,086,517)
Net Change in Fund Balance	(3,900)	(9,304,600)	(9,300,700)	(1,726,650)	7,577,950
Fund Balance - Beginning of year	28,440,441	28,440,441	-	28,440,441	-
Fund Balance - End of year	**$ 28,436,541**	**$ 19,135,841**	**$ (9,300,700)**	**$ 26,713,791**	**$ 7,577,950**

See notes to required supplementary information.

Required Supplementary Information
Budgetary Comparison Schedules - Major Special Revenue Funds (Continued)
Vocational Education Category

Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget - Over (Under) Final Budget	Actual	Variance with Final Budget - Over (Under) Actual Amounts
Revenue					
Local sources	$ 49,603,800	$ 50,289,900	$ 686,100	$ 50,301,947	$ 12,047
State sources	6,304,800	7,660,200	1,355,400	7,481,971	(178,229)
Federal sources	1,850,000	1,843,000	(7,000)	1,842,077	(923)
Other	43,000	1,038,000	995,000	1,069,010	31,010
Total revenue	57,801,600	60,831,100	3,029,500	60,695,005	(136,095)
Expenditures					
Current:					
Instruction	18,032,600	17,132,000	(900,600)	16,726,170	(405,830)
Support services:					
Pupil	3,891,800	3,568,600	(323,200)	3,532,861	(35,739)
Instructional staff	4,364,400	3,780,500	(583,900)	3,686,512	(93,988)
General administration	1,263,700	1,053,900	(209,800)	999,956	(53,944)
School administration	2,869,200	2,598,500	(270,700)	2,566,535	(31,965)
Business	1,752,200	1,566,900	(185,300)	1,482,732	(84,168)
Operations and maintenance	5,400,500	5,431,200	30,700	5,523,854	92,654
Pupil transportation services	168,500	129,500	(39,000)	141,178	11,678
Central	6,626,400	5,897,300	(729,100)	5,759,991	(137,309)
Other	218,400	194,200	(24,200)	170,955	(23,245)
Debt service	247,100	244,900	(2,200)	244,903	3
Interdistrict transfers and other	13,211,100	19,011,100	5,800,000	18,651,735	(359,365)
Total expenditures	58,045,900	60,608,600	2,562,700	59,487,382	(1,121,218)
Net Change in Fund Balance	(244,300)	222,500	466,800	1,207,623	985,123
Fund Balance - Beginning of year	8,540,265	8,540,265	-	8,540,265	-
Fund Balance - End of year	**$ 8,295,965**	**$ 8,762,765**	**$ 466,800**	**$ 9,747,888**	**$ 985,123**

See notes to required supplementary information.

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

Last Ten Plan Years

Plan Years Ended September 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.46066 %	0.46447 %	0.47374 %	0.49338 %	0.50279 %	0.50722 %	0.51448 %	0.51505 %	0.50550 %	0.47845 %
School District's proportionate share of the net pension liability	$ 92,284,311	$ 113,711,780	$ 153,331,071	$ 185,555,580	$ 119,036,550	$ 174,235,138	$ 170,378,362	$ 154,832,673	$ 130,996,169	$ 119,368,632
School District's covered payroll	$ 50,594,391	$ 48,280,380	$ 46,424,601	$ 46,518,009	$ 45,322,447	$ 44,854,132	$ 44,790,381	$ 44,265,616	$ 43,162,651	$ 41,134,535
School District's proportionate share of the net pension liability as a percentage of its covered payroll	182.40 %	235.52 %	330.28 %	398.89 %	262.64 %	388.45 %	380.39 %	349.78 %	303.49 %	290.19 %
Plan fiduciary net position as a percentage of total pension liability	79.44 %	74.44 %	65.91 %	60.77 %	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %

See notes to required supplementary information.

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

Last Ten Fiscal Years

Years Ended June 30

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	$ 20,174,653	$ 20,201,456	$ 19,594,551	$ 22,115,022	$ 16,780,227	$ 15,368,937	$ 14,125,270	$ 13,720,880	$ 13,262,230	$ 12,085,927
Contributions in relation to the statutorily required contribution	20,174,653	20,201,456	19,594,551	22,115,022	16,780,227	15,368,937	14,125,270	13,720,880	13,262,230	12,085,927
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School District's Covered Payroll	$ 51,875,886	$ 49,979,163	$ 47,844,601	$ 45,777,599	$ 44,800,859	$ 45,223,459	$ 45,030,328	$ 44,385,939	$ 44,060,613	$ 44,388,538
Contributions as a Percentage of Covered Payroll	38.89 %	40.42 %	40.95 %	48.31 %	37.46 %	33.98 %	31.37 %	30.91 %	30.10 %	27.23 %

See notes to required supplementary information.

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

Last Nine Plan Years

Plan Years Ended September 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017
School District's proportion of the net OPEB (asset) liability	0.47187 %	0.45800 %	0.46468 %	0.47959 %	0.50208 %	0.50595 %	0.51234 %	0.51992 %	0.50477 %
School District's proportionate share of the net OPEB (asset) liability	$(28,685,496)	$(19,713,998)	$ (2,628,682)	$ 10,158,069	$ 7,663,639	$ 27,104,973	$ 36,774,468	$ 41,328,273	$ 44,699,757
School District's covered payroll	$ 50,594,391	$ 48,280,380	$ 46,424,601	$ 46,518,009	$ 45,322,447	$ 44,854,132	$ 44,790,381	$ 44,265,616	$ 43,162,651
School District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	(56.70)%	(40.83)%	(5.66)%	21.84 %	16.91 %	60.43 %	82.10 %	93.36 %	103.56 %
Plan fiduciary net position as a percentage of total OPEB liability	164.94 %	143.08 %	105.04 %	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

See notes to required supplementary information.

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

Last Nine Fiscal Years

Years Ended June 30

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ 1,239,185	$ 1,488,130	$ 3,910,638	$ 3,677,841	$ 3,647,059	$ 3,759,878	$ 3,614,134	$ 3,485,051	$ 3,182,377
Contributions in relation to the statutorily required contribution	1,239,185	1,488,130	3,910,638	3,677,841	3,647,059	3,759,878	3,614,134	3,485,051	3,182,377
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School District's Covered Payroll	$ 51,875,886	$ 49,979,163	$ 47,844,601	$ 45,777,599	$ 44,800,859	$ 45,223,459	$ 45,030,328	$ 44,385,939	$ 44,060,613
Contributions as a Percentage of Covered Payroll	2.39 %	2.98 %	8.17 %	8.03 %	8.14 %	8.31 %	8.03 %	7.85 %	7.22 %

See notes to required supplementary information.

Budgetary Information

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

General Education Fund revenue - state sources: State revenue budgets were increased by $36.4 million based on final grant awards, primarily for early childhood grants.

General Education Fund expenditures - interdistrict transfers and other: Interdistrict transfers and other expenditure budgets were increased by $32.1 million based on final grant awards.

Special Education Fund expenditures - interdistrict transfers and other: Interdistrict transfers and other expenditure budgets were increased by $9.7 million for additional distributions of special education millage funds to local school districts and $3.7 million for the construction of a new center-based special education program by Oxford School District. This was offset by a $2.4 million reduction in grant budgets based on final grant awards.

Vocational Education Fund expenditures - interdistrict transfers and other: Interdistrict transfers and other expenditure budgets were increased $5.8 million following an amended budget resolution to reallocate Vocational Education Fund resources to capital projects for upcoming technical campus renovations.

During the year, the Oakland Schools incurred significant variances between the amended budget and actual, as follows:

	Amended Budget	Actual	Variance
General Education Fund revenue - State sources	$ 129,725,600	$ 101,275,304	$ 28,450,296
General Education Fund expenditures - Interdistrict transfers and other	112,508,700	86,940,681	25,568,019
Special Education Fund expenditures - Interdistrict transfers and other	246,084,400	238,318,943	7,765,457

General Education Fund revenue - state sources: State revenue was below budget because grant budgets reflect total award amounts, while revenue recognition is generally based on eligible expenditures incurred. Spending under pass-through grant programs was lower than anticipated because subrecipient school districts did not expend the full amounts budgeted. Significant increases in mental health funding have also been received over the last several years, and grant awards have outpaced spending. Unspent grant funds are carried over to the next year.

General Education Fund expenditures - interdistrict transfers and other: Interdistrict transfers and other expenditures were under budget because grant budgets are established at the award amount and spending under pass-through grant programs was lower than anticipated by $25.9 million. This is primarily due to final slot counts (i.e., preschool enrollment) in the Great Start Readiness Program grants being lower than the amount allocated. Significant increases in mental health funding have also been received over the last several years, and grant awards have outpaced spending. Unspent grant funds are carried over to the next year. Finally, several state grants have a grant period that end on September 30, so spending on those grants continues to occur after the School District's fiscal year end.

Special Education Fund expenditures - interdistrict transfers and other: Interdistrict transfers and other expenditures were under budget because grant budgets are established at the award amount and spending under pass-through grant programs was lower than anticipated by $1.7 million because subrecipient school districts did not expend the full amounts budgeted. The variance also consists of $3.9 million in special education millage funds appropriated for distribution to local school districts, which will be distributed in fiscal year 2027. Finally, $2.2 million in budget was allocated to Oxford School District for the construction of a new center-based special education program, which was unspent due to the timing of construction.

Pension Information

Benefit Changes

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

Changes in Assumptions

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

- 2023 - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

- 2022 - The discount rate used in the September 30, 2022 actuarial valuation decreased by 0.80 percentage points.

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.

- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

OPEB Information

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

Benefit Changes

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

Changes in Assumptions

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

- 2025 - The health care cost trend rate used in the September 30, 2025 actuarial valuation increased by 0.50 percentage points for members under 65.

- 2024 - The health care cost trend rate used in the September 30, 2024 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage points for members over 65.

- 2023 - The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

- 2022 - The discount rate and investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.95 percentage points. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional $1.1 billion in 2022.

- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by $1.3 billion in 2021.

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

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

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

Supplementary Information

Supplementary Information
Budgetary Comparison Schedules - Nonmajor Special Revenue Funds
Shared Services and Tuition Programs Cooperative Activities Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	$ 18,271,800	$ 17,940,100	$ 18,382,717	$ 442,617
State sources	1,724,500	1,686,900	1,730,148	43,248
Federal sources	-	-	28,209	28,209
Transfers in and other revenue	545,300	537,700	-	(537,700)
Total revenue	20,541,600	20,164,700	20,141,074	(23,626)
Expenditures				
Current:				
Instruction	5,130,500	5,887,700	5,693,713	(193,987)
Support services:				
Pupil	41,400	46,000	45,740	(260)
General administration	335,200	331,800	328,097	(3,703)
School administration	576,600	580,300	564,372	(15,928)
Business	469,800	482,100	465,840	(16,260)
Operations and maintenance	100,800	101,000	97,648	(3,352)
Central	13,236,100	12,756,400	12,595,343	(161,057)
Debt service	332,100	346,300	346,360	60
Interdistrict transfers and other	339,800	336,000	357,534	21,534
Total expenditures	20,562,300	20,867,600	20,494,647	(372,953)
Net Change in Fund Balance	(20,700)	(702,900)	(353,573)	349,327
Fund Balance - Beginning of year	5,370,399	5,370,399	5,370,399	-
Fund Balance - End of year	**$ 5,349,699**	**$ 4,667,499**	**$ 5,016,826**	**$ 349,327**

Supplementary Information
Budgetary Comparison Schedules - Nonmajor Special Revenue Funds (Continued)
ONE Cooperative Activities Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	$ 473,144	$ 1,049,544	$ 1,095,538	$ 45,994
Federal sources	689,556	689,556	689,556	-
Transfers and other revenue	426,600	426,600	426,600	-
Total revenue	1,589,300	2,165,700	2,211,694	45,994
Expenditures				
Current - Support services:				
Instructional staff	600,000	471,000	372,137	(98,863)
General administration	5,000	-	-	-
Central	520,800	886,000	664,656	(221,344)
Debt service	113,100	133,200	133,118	(82)
Interdistrict transfers and other	-	1,219,300	1,356,626	137,326
Total expenditures	1,238,900	2,709,500	2,526,537	(182,963)
Net Change in Fund Balance	350,400	(543,800)	(314,843)	228,957
Fund Balance - Beginning of year	13,889,765	13,889,765	13,889,765	-
Fund Balance - End of year	**$ 14,240,165**	**$ 13,345,965**	**$ 13,574,922**	**$ 228,957**

Supplementary Information
Budgetary Comparison Schedules - Nonmajor Special Revenue Funds (Continued)
Medicaid Cooperative Activities Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	$ 14,845,600	$ 19,172,500	$ 19,229,352	$ 56,852
State sources	70,100	68,800	70,986	2,186
Federal sources	1,412,800	1,992,000	2,264,070	272,070
Total revenue	16,328,500	21,233,300	21,564,408	331,108
Expenditures				
Current - Support services:				
Operations and maintenance	12,400	9,000	6,531	(2,469)
Central	730,000	708,600	674,940	(33,660)
Debt service	10,300	10,300	9,866	(434)
Interdistrict transfers and other	15,575,800	20,505,400	20,873,074	367,674
Total expenditures	16,328,500	21,233,300	21,564,411	331,111
Net Change in Fund Balance	-	-	(3)	(3)
Fund Balance - Beginning of year	1,219	1,219	1,219	-
Fund Balance - End of year	**$ 1,219**	**$ 1,219**	**$ 1,216**	**$ (3)**

Supplementary Information
Budgetary Comparison Schedules - Nonmajor Special Revenue Funds (Continued)
HR/Finance Consortium Cooperative Activities Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	$ 1,218,200	$ 1,211,000	$ 1,215,015	$ 4,015
State sources	106,700	94,600	95,355	755
Transfers and other revenue	50,000	50,000	50,000	-
Total revenue	1,374,900	1,355,600	1,360,370	4,770
Expenditures				
Current - Support services:				
General administration	-	6,200	6,205	5
Operations and maintenance	1,500	1,400	1,191	(209)
Central	1,176,900	1,016,400	968,033	(48,367)
Interdistrict transfers and other	127,000	127,000	158,299	31,299
Total expenditures	1,305,400	1,151,000	1,133,728	(17,272)
Net Change in Fund Balance	69,500	204,600	226,642	22,042
Fund Balance - Beginning of year	838,151	838,151	838,151	-
Fund Balance - End of year	**$ 907,651**	**$ 1,042,751**	**$ 1,064,793**	**$ 22,042**

Supplementary Information
Budgetary Comparison Schedules - Nonmajor Special Revenue Funds (Continued)
School Activities Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue - Local sources	$ 180,000	$ 180,000	$ 204,434	$ 24,434
Expenditures - Support services - Other	180,000	180,000	204,592	24,592
Net Change in Fund Balance	-	-	(158)	(158)
Fund Balance - Beginning of year	268,647	268,647	268,647	-
Fund Balance - End of year	**$ 268,647**	**$ 268,647**	**$ 268,489**	**$ (158)**

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2026

	Special Revenue Funds	2016 Refunding Bonds Debt Service Fund	Qualified School Construction Bond Debt Service Fund	Qualified School Construction Bond Reserve Debt Service Fund	2026 Refunding Bonds Debt Service Fund	Administration Building Capital Projects Fund	Capital Projects - CFE Campus Renovations Fund	Total
Assets								
Cash and investments	$ 26,104,725	$ -	$ -	$ -	$ 10,478,541	$ 13,110,705	$ 24,185,839	$ 73,879,810
Receivables:								
Accrued interest receivable	59,874	-	6	495	20,557	21,340	51,762	154,034
Other receivables	242,105	-	-	-	-	-	-	242,105
Due from other governments	926,234	-	-	-	-	-	-	926,234
Prepaid expenditures	49,805	-	-	-	-	-	37	49,842
Restricted assets	-	-	462,553	14,046,947	-	-	-	14,509,500
Total assets	**$ 27,382,743**	**$ -**	**$ 462,559**	**$ 14,047,442**	**$ 10,499,098**	**$ 13,132,045**	**$ 24,237,638**	**$ 89,761,525**
Liabilities								
Accounts payable	$ 1,979,672	$ -	$ -	$ -	$ -	$ 28,276	$ 1,013,524	$ 3,021,472
Due to other governmental units	3,249,621	-	-	-	-	-	-	3,249,621
Accrued payroll and other liabilities	920,925	-	-	-	-	-	-	920,925
Unearned revenue	1,306,279	-	-	-	-	-	-	1,306,279
Total liabilities	7,456,497	-	-	-	-	28,276	1,013,524	8,498,297
Fund Balances								
Nonspendable - Prepaid expenditures	49,805	-	-	-	-	-	37	49,842
Restricted:								
Debt service	-	-	462,559	14,047,442	10,499,098	-	-	25,009,099
Special education	-	-	-	-	-	2,424,905	-	2,424,905
Vocational education	-	-	-	-	-	2,626,980	22,124,077	24,751,057
Committed:								
Capital projects	-	-	-	-	-	8,051,884	1,100,000	9,151,884
Special revenue funds	19,876,441	-	-	-	-	-	-	19,876,441
Total fund balances	19,926,246	-	462,559	14,047,442	10,499,098	13,103,769	23,224,114	81,263,228
Total liabilities and fund balances	**$ 27,382,743**	**$ -**	**$ 462,559**	**$ 14,047,442**	**$ 10,499,098**	**$ 13,132,045**	**$ 24,237,638**	**$ 89,761,525**

Oakland Schools

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

Year Ended June 30, 2026

	Special Revenue Funds	2016 Refunding Bonds Debt Service Fund	Qualified School Construction Bond Debt Service Fund	Qualified School Construction Bond Reserve Debt Service Fund	2026 Refunding Bonds Debt Service Fund	Administration Building Capital Projects Fund	Capital Projects - CFE Campus Renovations Fund	Total
Revenue								
Local sources	$ 40,127,056	$ 387,922	$ 19,916	$ 502,345	$ 39,529	$ 550,041	$ 841,480	$ 42,468,289
State sources	1,896,489	-	-	-	-	-	-	1,896,489
Federal sources	2,981,835	-	-	756,854	-	-	-	3,738,689
Total revenue	45,005,380	387,922	19,916	1,259,199	39,529	550,041	841,480	48,103,467
Expenditures								
Current:								
Instruction	5,130,633	-	-	-	-	-	-	5,130,633
Support services	16,990,390	-	-	-	-	4,230	8,828	17,003,448
Debt service:								
Principal	484,433	1,610,000	-	-	-	-	-	2,094,433
Interest and other	4,911	466,825	1,801	925,000	-	-	-	1,398,537
Other debt costs	-	-	-	-	167,566	-	-	167,566
Capital outlay	1,924,641	-	-	-	-	2,548,723	12,614,621	17,087,985
Interdistrict transfers and other	20,993,135	-	-	-	-	-	135,008	21,128,143
Total expenditures	45,528,143	2,076,825	1,801	925,000	167,566	2,552,953	12,758,457	64,010,745
Excess of Revenue (Under) Over Expenditures	(522,763)	(1,688,903)	18,115	334,199	(128,037)	(2,002,912)	(11,916,977)	(15,907,278)
Other Financing Sources (Uses)								
Face value of debt issued	-	-	-	-	18,470,000	-	-	18,470,000
Premium on debt issued	-	-	-	-	2,309,582	-	-	2,309,582
Transfers in	476,600	3,300,000	-	770,000	10,454,080	400,000	11,500,000	26,900,680
Payment to bond refunding escrow agent	-	-	-	-	(20,606,527)	-	-	(20,606,527)
Transfers out	(395,772)	(10,454,080)	(770,000)	-	-	-	-	(11,619,852)
Total other financing sources (uses)	80,828	(7,154,080)	(770,000)	770,000	10,627,135	400,000	11,500,000	15,453,883
Net Change in Fund Balances	(441,935)	(8,842,983)	(751,885)	1,104,199	10,499,098	(1,602,912)	(416,977)	(453,395)
Fund Balances - Beginning of year, as previously reported	20,368,181	8,842,983	1,214,444	12,943,243	-	14,706,681	-	58,075,532
Change within Financial Reporting Entity	-	-	-	-	-	-	23,641,091	23,641,091
Fund Balances - Beginning of year, as adjusted	20,368,181	8,842,983	1,214,444	12,943,243	-	14,706,681	23,641,091	81,716,623
Fund Balances - End of year	**$ 19,926,246**	**$ -**	**$ 462,559**	**$ 14,047,442**	**$ 10,499,098**	**$ 13,103,769**	**$ 23,224,114**	**$ 81,263,228**

Supplementary Information
Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2026

	Shared Services and Tuition Programs Cooperative Activities Fund	ONE Cooperative Activities Fund	Medicaid Cooperative Activities Fund	HR/Finance Consortium Cooperative Activities Fund	School Activities Fund	Total
Assets						
Cash and investments	$ 5,806,152	$ 14,439,243	$ 4,525,150	$ 1,065,691	$ 268,489	$ 26,104,725
Receivables:						
Accrued interest receivable	14,946	30,634	11,514	2,780	-	59,874
Other receivables	1,232	240,873	-	-	-	242,105
Due from other governments	897,320	-	12,339	16,575	-	926,234
Prepaid expenditures	3,877	37,555	-	8,373	-	49,805
Total assets	**$ 6,723,527**	**$ 14,748,305**	**$ 4,549,003**	**$ 1,093,419**	**$ 268,489**	**$ 27,382,743**
Liabilities						
Accounts payable	$ 816,422	$ 1,161,311	$ 1,747	$ 192	$ -	$ 1,979,672
Due to other governmental units	18,779	11,884	3,218,958	-	-	3,249,621
Accrued payroll and other liabilities	871,500	188	20,803	28,434	-	920,925
Unearned revenue	-	-	1,306,279	-	-	1,306,279
Total liabilities	1,706,701	1,173,383	4,547,787	28,626	-	7,456,497
Fund Balances						
Nonspendable - Prepaid expenditures	3,877	37,555	-	8,373	-	49,805
Committed - Special revenue funds	5,012,949	13,537,367	1,216	1,056,420	268,489	19,876,441
Total fund balances	5,016,826	13,574,922	1,216	1,064,793	268,489	19,926,246
Total liabilities and fund balances	**$ 6,723,527**	**$ 14,748,305**	**$ 4,549,003**	**$ 1,093,419**	**$ 268,489**	**$ 27,382,743**

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

Year Ended June 30, 2026

	Shared Services and Tuition Programs Cooperative Activities Fund	ONE Cooperative Activities Fund	Medicaid Cooperative Activities Fund	HR/Finance Consortium Cooperative Activities Fund	School Activities Fund	Total
Revenue						
Local sources	$ 18,382,717	$ 1,095,538	$ 19,229,352	$ 1,215,015	$ 204,434	$ 40,127,056
State sources	1,730,148	-	70,986	95,355	-	1,896,489
Federal sources	28,209	689,556	2,264,070	-	-	2,981,835
Total revenue	20,141,074	1,785,094	21,564,408	1,310,370	204,434	45,005,380
Expenditures						
Current:						
Instruction	5,130,633	-	-	-	-	5,130,633
Support services	14,093,062	1,036,793	680,514	975,429	204,592	16,990,390
Debt service:						
Principal	344,837	131,950	7,646	-	-	484,433
Interest and other	1,523	1,168	2,220	-	-	4,911
Capital outlay	567,058	1,356,626	957	-	-	1,924,641
Interdistrict transfers and other	88,762	-	20,873,074	31,299	-	20,993,135
Total expenditures	20,225,875	2,526,537	21,564,411	1,006,728	204,592	45,528,143
Excess of Revenue (Under) Over Expenditures	(84,801)	(741,443)	(3)	303,642	(158)	(522,763)
Other Financing Sources (Uses)						
Transfers in	-	426,600	-	50,000	-	476,600
Transfers out	(268,772)	-	-	(127,000)	-	(395,772)
Total other financing (uses) sources	(268,772)	426,600	-	(77,000)	-	80,828
Net Change in Fund Balances	(353,573)	(314,843)	(3)	226,642	(158)	(441,935)
Fund Balances - Beginning of year	5,370,399	13,889,765	1,219	838,151	268,647	20,368,181
Fund Balances - End of year	**$ 5,016,826**	**$ 13,574,922**	**$ 1,216**	**$ 1,064,793**	**$ 268,489**	**$ 19,926,246**

Supplementary Information
Schedule of Bonded Indebtedness

June 30, 2026

Years Ending June 30	2009-2010 General Bonds Principal	2026 Refunding Bonds Principal	Total
2027	$ 14,800,000	$ 1,415,000	$ 16,215,000
2028	-	1,545,000	1,545,000
2029	-	1,625,000	1,625,000
2030	-	1,705,000	1,705,000
2031	-	1,790,000	1,790,000
2032	-	1,880,000	1,880,000
2033	-	1,975,000	1,975,000
2034	-	2,075,000	2,075,000
2035	-	2,175,000	2,175,000
2036	-	2,285,000	2,285,000
Total remaining payments	**$ 14,800,000**	**$ 18,470,000**	**$ 33,270,000**
Interest rate (percent)	6.25	5.00	
Original issue	**$ 14,800,000**	**$ 18,470,000**	

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

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

Statistical Section (Unaudited)

Introduction to Statistical Section

This part of the School District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the School District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Net Position by Component (Unaudited)

Last Ten Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Governmental activities:										
Net investment in capital assets	$ 41,636,657	$ 36,773,245	$ 35,003,470	$ 34,010,149	$ 33,142,463	$ 30,558,154	$ 26,445,434	$ 30,550,657	$ 39,038,550	$ 50,930,264
Restricted	16,898,371	41,041,957	39,321,973	41,645,288	43,463,326	40,767,367	45,155,260	56,816,336	79,303,863	116,874,435
Unrestricted	(54,561,605)	(119,596,597)	(123,177,742)	(132,010,797)	(137,301,735)	(120,820,165)	(103,136,090)	(81,526,825)	(68,669,554)	(75,590,253)
Total governmental activities	3,973,423	(41,781,395)	(48,852,299)	(56,355,360)	(60,695,946)	(49,494,644)	(31,535,396)	5,840,168	49,672,859	92,214,446
Business-type activities:										
Net investment in capital assets	220,075	142,395	205,307	197,810	157,271	82,509	13,172	56,895	93,840	102,718
Restricted	-	-	-	-	-	-	-	9,117	95,139	139,494
Unrestricted	959,031	1,204,573	1,240,092	1,142,307	(542,918)	(799,646)	(806,230)	(893,035)	(886,634)	(924,012)
Total business-type activities	1,179,106	1,346,968	1,445,399	1,340,117	(385,647)	(717,137)	(793,058)	(827,023)	(697,655)	(681,800)
Primary government:										
Net investment in capital assets	41,856,732	36,915,640	35,208,777	34,207,959	33,299,734	30,640,663	26,458,606	30,607,552	39,132,390	51,032,982
Restricted	16,898,371	41,041,957	39,321,973	41,645,288	43,463,326	40,767,367	45,155,260	56,825,453	79,399,002	117,013,929
Unrestricted	(53,602,574)	(118,392,024)	(121,937,650)	(130,868,490)	(137,844,653)	(121,619,811)	(103,942,320)	(82,419,860)	(69,556,188)	(76,514,265)
Total primary government net position	**$ 5,152,529**	**$ (40,434,427)**	**$ (47,406,900)**	**$ (55,015,243)**	**$ (61,081,593)**	**$ (50,211,781)**	**$ (32,328,454)**	**$ 5,013,145**	**$ 48,975,204**	**$ 91,532,646**

Note: On July 1, 2017, the School District implemented the provisions of GASB No. 75, which resulted in the School District recording a net OPEB liability of $(47,148,341) and a deferred outflow for OPEB contributions of $3,363,068 made subsequent to the measurement date, and a deferred inflow for revenue received in support of OPEB contributions of $(1,394,867) that was received subsequent to the measurement date. Unrestricted Net Position has been restated to reflect this change in accounting principle in 2017.

Source: Prior years' Annual Comprehensive Financial Reports

Changes in Governmental Net Position (Unaudited)

Last Ten Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Expenses										
Governmental activities:										
Instruction	$ 21,575,693	$ 22,911,869	$ 23,463,114	$ 24,085,554	$ 19,974,781	$ 19,235,228	$ 19,841,609	$ 19,565,023	$ 18,335,986	$ 17,597,933
Support services, community services, interdistrict transfers and other	268,922,341	276,685,016	293,043,802	301,767,148	310,803,372	315,107,006	354,312,682	372,994,702	390,039,658	428,995,745
Interest and other debt costs on long-term debt	2,275,495	2,070,614	2,031,281	1,988,906	1,948,322	2,001,805	1,921,360	1,905,573	1,823,613	2,015,820
Depreciation and amortization (unallocated)	4,929,373	4,905,673	4,679,704	4,781,269	4,843,389	5,479,942	5,535,406	6,092,599	6,649,827	6,827,925
Total governmental activities	297,702,902	306,573,172	323,217,901	332,622,877	337,569,864	341,823,981	381,611,057	400,557,897	416,849,084	455,437,423
Business-type activities:										
Support services	1,886,186	1,680,673	1,678,417	1,744,793	1,764,532	1,974,916	1,974,122	1,661,700	1,184,249	904,581
Depreciation and amortization (unallocated)	109,463	106,709	64,088	68,902	40,539	154,359	152,923	144,824	42,743	30,547
Total business-type activities	1,995,649	1,787,382	1,742,505	1,813,695	1,805,071	2,129,275	2,127,045	1,806,524	1,226,992	935,128
Total primary government expenses	299,698,551	308,360,554	324,960,406	334,436,572	339,374,935	343,953,256	383,738,102	402,364,421	418,076,076	456,372,551
Program Revenue										
Governmental activities:										
Charges for services:										
Instruction	4,657,556	5,237,236	5,486,325	5,235,313	5,440,729	6,037,844	3,079,878	4,752,512	6,353,411	6,772,272
Support services	24,665,315	25,333,917	26,363,113	28,559,488	26,796,732	28,803,603	36,912,601	33,398,002	34,589,721	38,976,915
Total charges for services	29,322,871	30,571,153	31,849,438	33,794,801	32,237,461	34,841,447	39,992,479	38,150,514	40,943,132	45,749,187
Operating grants and contributions:										
Instruction	2,687,861	2,363,479	2,343,883	2,439,646	2,689,386	2,627,001	3,167,158	2,461,885	2,357,359	2,939,374
Support services	17,837,757	17,377,474	15,486,543	14,741,421	18,062,766	20,536,552	19,126,431	20,518,949	23,044,912	23,862,443
Interdistrict payments and other	62,942,963	61,872,742	63,309,880	62,318,419	63,015,819	73,224,552	95,273,638	106,150,709	111,274,686	134,716,556
Total operating grants and contributions	83,468,581	81,613,695	81,140,306	79,499,486	83,767,971	96,388,105	117,567,227	129,131,543	136,676,957	161,518,373
Total governmental activities program revenue	112,791,452	112,184,848	112,989,744	113,294,287	116,005,432	131,229,552	157,559,706	167,282,057	177,620,089	207,267,560
Business-type activities:										
Charges for services: Support services	2,118,822	1,939,877	1,817,157	1,693,119	1,416,278	1,797,111	2,035,230	1,758,650	1,264,124	944,476
Total primary government program revenue	114,910,274	114,124,725	114,806,901	114,987,406	117,421,710	133,026,663	159,594,936	169,040,707	178,884,213	208,212,036
Net (Expenses) Revenue:										
Governmental activities	(184,911,450)	(194,388,324)	(210,228,157)	(219,328,590)	(221,564,432)	(210,594,429)	(224,051,351)	(233,275,840)	(239,228,995)	(248,169,863)
Business-type activities	123,173	152,495	74,652	(120,576)	(388,793)	(332,164)	(91,815)	(47,874)	37,132	9,348
Total primary government net (expenses)	$ (184,788,277)	$ (194,235,829)	$ (210,153,505)	$ (219,449,166)	$ (221,953,225)	$ (210,926,593)	$ (224,143,166)	$ (233,323,714)	$ (239,191,863)	$ (248,160,515)

Changes in Governmental Net Position (Unaudited) (Continued)

Last Ten Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Net (Expenses) Revenue:										
Governmental activities	$ (184,911,450)	$ (194,388,324)	$ (219,328,590)	$ (221,564,432)	$ (210,594,429)	$ (224,051,351)	$ (233,275,840)	$ (239,228,995)	$ (233,275,840)	$ (248,169,863)
Business-type activities	123,173	152,495	74,652	(120,576)	(388,793)	(322,164)	(91,815)	(47,874)	(32,132)	9,348
Total primary government net (expenses)	(184,788,277)	(194,235,829)	(219,253,938)	(221,685,008)	(210,983,222)	(224,373,515)	(233,367,655)	(239,276,869)	(233,307,972)	(248,160,515)
General Revenue										
Governmental activities:										
Property taxes	175,566,760	180,204,423	187,339,089	195,203,636	202,585,827	208,177,057	218,800,921	234,807,364	249,873,988	261,951,833
Federal and state aid not restricted to specific purposes	10,434,989	12,410,402	12,135,214	13,129,765	13,239,692	14,353,714	16,294,515	23,905,263	23,851,035	18,829,059
Investment earnings (loss)	491,390	1,261,664	3,682,950	3,189,652	50,873	(806,070)	6,519,462	10,949,927	10,497,179	9,641,685
Other	144,119	(62,843)	-	156,099	10,186	71,548	164,190	994,364	(1,134,672)	305,124
Gain (Loss) on disposal of capital assets	-	-	-	-	-	(518)	231,511	(5,514)	(25,844)	(16,254)
Loss on the impairment of capital assets	(1,549,909)	-	-	(118,948)	-	-	-	-	-	-
Total governmental activities general revenue	185,087,349	193,813,646	203,157,253	211,560,204	215,886,578	221,795,731	242,010,599	270,651,404	283,061,686	290,711,447
Business-type activities:										
Investment earnings	4,823	13,367	23,779	15,294	297	674	15,894	13,909	12,548	6,507
Other	-	2,000	-	-	-	-	-	-	79,688	-
Loss on the impairment of capital assets	-	-	-	-	-	-	-	-	-	-
Total primary government general revenue	185,092,172	193,829,013	203,181,032	211,575,498	215,886,875	221,796,405	242,026,493	270,665,313	283,153,922	290,717,954
Change in Net Position										
Governmental activities	$ 175,899	$ (574,678)	$ (7,070,904)	$ (7,768,386)	$ (5,677,854)	$ 11,201,302	$ 17,959,248	$ 37,375,564	$ 43,832,694	$ 42,541,584
Business-type activities	127,996	88,019	98,431	98,431	(388,496)	(331,490)	(75,921)	(33,965)	129,368	15,855
Total primary government change in net position	$ 303,895	$ (486,659)	$ (6,972,473)	$ (7,669,955)	$ (6,066,350)	$ 10,869,812	$ 17,883,327	$ 37,341,599	$ 43,962,062	$ 42,557,439

Source: Prior years' Annual Comprehensive Financial Reports

Note: On July 1, 2017, the School District implemented the provisions of GASB No. 75, which resulted in the School District recording a net OPEB liability of $(47,148,341) and a deferred outflow for OPEB contributions of $3,363,068 made subsequent to the measurement date, and a deferred inflow for revenue received in support of OPEB contributions of $(1,394,867) that was received subsequent to the measurement date. Unrestricted Net Position has been restated to reflect this change in accounting principle in 2017.

Fund Balances - Governmental Funds (Unaudited)

Last Ten Fiscal Years

	June 30									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General Education Fund:										
Nonspendable	$ 28,623	$ 29,311	$ 28,508	$ 74,784	$ 16,496	$ 94,712	$ 45,317	$ 142,923	$ 74,229	$ 194,770
Assigned	-	-	1,500,000	1,700,000	1,700,000	2,000,000	1,400,000	7,700,000	9,796,000	13,389,600
Unassigned	4,771,686	4,101,978	3,452,252	3,989,241	4,856,756	4,876,347	4,675,422	4,421,070	4,386,720	5,225,489
Total General Education Fund	**$ 4,800,309**	**$ 4,131,289**	**$ 4,980,760**	**$ 5,764,025**	**$ 6,573,252**	**$ 6,971,059**	**$ 6,120,739**	**$ 12,263,993**	**$ 14,256,949**	**$ 18,809,859**
All other governmental funds:										
Nonspendable	$ 174,203	$ 116,522	$ 87,109	$ 71,873	$ 565,492	$ 513,264	$ 270,577	$ 223,114	$ 186,368	$ 205,612
Restricted	38,036,824	41,364,279	39,641,091	41,947,392	43,766,582	41,020,357	45,397,319	54,400,592	59,849,501	$ 88,490,970
Committed	19,082,413	24,246,341	28,216,731	31,907,934	32,968,070	39,240,194	55,267,881	55,279,458	58,661,460	$ 29,028,325
Total all other governmental funds	**$ 57,293,440**	**$ 65,727,142**	**$ 67,944,931**	**$ 73,927,199**	**$ 77,300,144**	**$ 80,773,815**	**$ 100,935,777**	**$ 109,903,164**	**$ 118,697,329**	**$ 117,724,907**

Source: Prior years' Annual Comprehensive Financial Reports

Changes in Fund Balances - Governmental Funds (Unaudited)

Last Ten Fiscal Years

	Year Ended June 30									
	2017	2018	2019	2020 (b)	2021	2022	2023	2024	2025	2026
Revenue										
Local	$ 204,798,472	$ 211,570,968	$ 222,515,712	$ 232,034,174	$ 234,611,672	$ 241,544,105	$ 265,001,190	$ 283,340,712	$ 300,069,718	$ 315,406,749
State	40,620,573	41,630,028	41,984,010	42,333,355	43,190,630	52,764,162	80,171,402	86,286,399	96,537,486	123,196,995
Federal	53,671,926	51,679,276	51,407,151	49,462,106	54,360,437	59,124,976	58,836,929	63,416,721	61,823,864	59,607,071
Other revenue	1,016,235	1,119,129	830,931	793,370	733,793	807,585	722,734	957,162	871,982	904,188
Total revenue	300,107,206	305,999,401	316,737,804	324,623,005	332,896,532	354,240,828	404,732,255	434,000,994	459,303,050	499,115,003
Expenditures										
Current:										
Instruction	21,142,122	21,832,820	21,838,699	21,382,592	18,488,421	20,981,404	21,050,230	21,598,119	21,775,286	22,188,757
Support services	71,002,568	73,583,141	74,256,417	75,164,928	81,817,277	84,043,366	90,603,232	92,137,699	97,183,732	101,513,938
Community services	3,584,617	3,536,960	1,399,473	1,164,038	1,206,286	1,320,982	1,758,507	1,604,004	2,077,941	1,502,983
Interdistrict transfers and other	191,501,377	194,869,571	209,688,844	213,254,856	220,139,980	237,240,863	265,369,328	286,903,089	308,510,552	348,362,902
Facilities acquisition	-	-	-	-	-	-	-	-		
Debt service:										
Principal	1,185,000	800,000	840,000	885,000	925,000	1,329,022	1,758,046	2,365,940	2,590,936	2,717,459
Interest and other	2,420,973	2,221,400	2,182,400	2,140,400	2,100,151	2,154,049	2,077,104	2,061,859	1,980,523	1,477,475
Bond issuance costs and fees	-	-	-	-	-	-	-	-	-	167,566
Capital outlay	2,559,629	2,907,527	3,464,711	4,130,983	4,037,245	3,299,664	4,854,166	14,063,356	14,455,562	17,776,490
Total expenditures	293,396,286	299,751,419	313,670,544	318,122,797	328,714,360	350,369,350	387,470,613	420,734,066	448,574,532	495,707,570
Excess of Revenue (Under) Over Expenditures	6,710,920	6,247,982	3,067,260	6,500,208	4,182,172	3,871,478	17,261,642	13,266,928	10,728,518	3,407,433
Other Financing Sources (Uses)										
Proceeds from sale of capital assets	-	1,516,700	-	-	-	-	2,050,000	-	58,600	-
Payment to escrow agent for debt refunding	-	-	-	-	-	-	-	-	-	(20,606,527)
Debt issuance	-	-	-	-	-	-	-	-	-	18,470,000
Premium on debt issued	-	-	-	-	-	-	-	-	-	2,309,582
Subscriptions entered into	-	-	-	-	-	-	-	1,843,713	-	-
Transfers in	6,934,684	7,614,248	8,550,541	8,078,843	12,097,474	11,696,171	20,835,864	12,892,086	19,834,755	28,296,452
Transfers out	(6,934,684)	(7,614,248)	(8,550,541)	(8,078,843)	(12,097,474)	(11,696,171)	(20,835,864)	(12,892,086)	(19,834,755)	(28,296,452)
Total other financing sources (uses)	-	1,516,700	-	-	-	-	2,050,000	1,843,713	58,600	173,055
Net Change in Fund Balances	6,710,920	7,764,682	3,067,260	6,500,208	4,182,172	3,871,478	19,311,642	15,110,641	10,787,118	3,580,488
Fund Balances - Beginning of year	121,454,025	128,164,945	135,929,627	73,191,016	79,691,224	83,873,396	87,744,874	107,056,516	122,167,157	132,954,278
Fund Balances - End of year	**$ 128,164,945**	**$ 135,929,627**	**$ 138,996,887**	**$ 79,691,224**	**$ 83,873,396**	**$ 87,744,874**	**$ 107,056,516**	**$ 122,167,157**	**$ 132,954,278**	**$ 136,534,766**
Debt service as a percentage of noncapital expenditures (a)	1.24%	1.02%	0.97%	0.96%	0.93%	1.00%	1.00%	1.09%	1.05%	0.88%

Source: Prior years' Annual Comprehensive Financial Reports

(a) Noncapital expenditures are total governmental expenditures less capital outlay.
(b) BOY fund balance has been restated due to adoption of GASB 84

Taxable Value of Property (Unaudited)

Last Ten Fiscal Years

Levy Year	Fiscal Year	Tax Year	Real Property						Personal Property	Total Value	Total Direct Tax Rate
			Agricultural	Commercial	Industrial	Residential	Developmental	Total Real Property			
2016	17/18	2017	$ 44,178,330	$ 8,957,063,497	$ 1,661,231,821	$ 40,609,322,089	-	$ 51,271,795,737	$ 3,451,947,290	$ 54,723,743,027	3.3079
2017	18/19	2018	46,014,710	9,373,464,567	1,751,303,050	42,722,004,594	-	53,892,786,921	3,409,219,510	57,302,006,431	3.2813
2018	19/20	2019	49,363,690	9,874,861,799	1,824,816,636	45,025,561,832	-	56,774,603,957	3,531,464,890	60,306,068,847	3.2539
2019	20/21	2020	51,861,930	10,260,143,342	1,895,811,378	47,186,788,266	-	59,394,604,916	3,603,140,154	62,997,745,070	3.2280
2020	21/22	2021	51,964,260	10,599,175,014	1,973,439,019	49,073,505,006	-	61,698,083,299	3,721,570,829	65,419,654,128	3.2012
2021	22/23	2022	54,208,080	11,420,390,043	2,190,437,432	52,116,908,871	-	65,781,944,426	3,863,319,745	69,645,264,171	3.1658
2022	23/24	2023	59,063,020	12,301,318,413	2,443,081,033	56,184,059,575	-	70,987,522,041	3,893,103,273	74,880,625,314	3.1658
2023	24/25	2024	65,883,260	13,044,195,925	2,693,339,881	60,620,513,814	-	76,423,932,880	3,932,120,995	80,356,053,875	3.1541
2024	25/26	2025	67,436,674	13,596,075,775	2,832,677,618	64,134,158,829	-	80,630,348,896	4,011,125,298	84,641,474,194	3.1349
2025	26/27	2026	68,717,306	14,001,781,132	3,092,650,983	67,533,005,790	-	84,696,155,211	4,108,778,400	88,804,933,611	3.1105

Notes:
Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.
Under Michigan law, the revenue base is taxable value.

Source: Prior years' Annual Comprehensive Financial Report Statistical Sections
Oakland County Equalization Report

Direct and Overlapping Property Tax Rates (Unaudited)

Last Ten Fiscal Years

Tax Year	Fiscal Year Ended June 30	General Operating	Parks	Oakland Schools	Oakland Community College	Huron-Clinton Authority	Public Transportation Authority	Oakland County Zoological Authority	Art Institute Authority
2016	2017	4.0400	0.2392	3.3398	1.5707	0.2146	0.9941	0.0990	0.1981
2017	2018	4.0400	0.2368	3.3079	1.5555	0.2140	0.9863	0.0980	0.1961
2018	2019	4.0400	0.2349	3.2813	1.5431	0.2129	1.0000	0.0982	0.1945
2019	2020	4.0400	0.2329	3.2539	1.5303	0.2117	0.9927	0.0973	0.1929
2020	2021	4.0200	0.3500	3.2280	1.5184	0.2104	0.9851	0.0965	0.1913
2021	2022	4.0132	0.3470	3.2012	1.5057	0.2089	0.9765	0.0956	0.1897
2022	2023	3.9686	0.3431	3.1658	1.4891	0.2070	0.9500	0.0945	0.1945
2023	2024	3.9686	0.3431	3.1658	1.4891	0.2070	0.9500	0.0945	0.1945
2024	2025	3.9539	0.6500	3.1541	1.4836	0.2062	0.9464	0.0941	0.1937
2025	2026	3.9301	0.6461	3.1349	1.4747	0.2050	0.9407	0.0935	0.1925

Source: Oakland County Apportionment of Local Tax Rates

Principal Property Taxpayers (Unaudited)

For the Current Year and Nine Years Prior

Taxpayer	2025 Taxable Value	Rank	Percentage of County Taxable Value	2016 Taxable Value	Rank	Percentage of County Taxable Value
Detroit Edison Company/DTE	$ 929,439,024	1	1.10 %	$ 555,571,295	1	1.05 %
Consumers Energy	712,150,642	2	0.84 %	300,826,979	2	0.57 %
General Motors	285,340,770	3	0.34 %	69,642,320	10	0.13 %
International Transmission	206,593,814	4	0.24 %	84,114,201	7	0.16 %
Edward Rose/Occidental Development Ltd	162,841,200	5	0.19 %			
Stellantis (formerly FCA US LLC, Chrysler)	161,481,040	6	0.19 %	164,630,200	3	0.31 %
SINGH	153,142,197	7	0.18 %			
Amazon	148,958,790	8	0.18 %			
Taubman/Great Lakes Crossing	148,357,850	9	0.18 %	75,742,270	9	0.14 %
Enbridge Energy	124,565,470	10	0.15 %	121,746,620	4	0.23 %
Meijer/Goodwill Co	93,391,570	11	0.11 %			
Fanuc	92,688,620	12	0.11 %			
SL Town Etal	88,138,891	13	0.10 %	76,509,990	8	0.14 %
Comcast	85,953,644	14	0.10 %			
Redico	82,510,270	15	0.10 %			
Oakland Management	81,554,600	16	0.10 %			
LREH, MI/CA	77,567,990	17	0.06 %			
Redwood-ERC Novi LLC	71,277,500	18	0.08 %			
LITHIA Motors	71,095,160	19	0.08 %			
Somerset Collection LTD PTN	70,274,490	20	0.08 %	86,905,570	6	0.16 %
SPIII West Bloomfield LLC				111,168,900	5	0.21 %
Total	$ 3,847,323,532		4.51 %	$ 1,646,858,345		3.10 %

Source: Oakland County Department of Management and Budget, Equalization Division

Note: The Taxable Values have been compiled from a number of sources/reports and may include estimated figures.

Property Tax Levies and Collections (Unaudited)

Last Ten Fiscal Years

Tax Year	Fiscal Year Ended June 30	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
2016	2017	$ 175,377,383	$ 175,561,749	100.1	-	$ 175,561,749	100.1
2017	2018	180,040,597	180,201,551	100.1	-	180,201,551	100.1
2018	2019	186,983,839	187,336,580	100.2	-	187,336,580	100.2
2019	2020	195,150,702	195,198,050	100.0	-	195,198,050	100.0
2020	2021	202,251,724	202,582,815	100.2	-	202,582,815	100.2
2021	2022	208,277,582	208,172,204	99.9	-	208,172,204	99.9
2022	2023	219,242,452	218,796,917	99.8	-	218,796,917	99.8
2023	2024	235,782,199	234,803,322	99.6	-	234,803,322	99.6
2024	2025	251,652,760	249,862,677	99.3	-	249,862,677	99.3
2025	2026	262,814,363	261,947,787	99.7	-	261,947,787	99.7

Source: Oakland County Treasurer

Ratios of Outstanding Debt (Unaudited)

Last Ten Fiscal Years

Tax Year	Limited Tax General Obligation Bonds and Unamortized Bond Premiums (a)	Accumulated Resources Restricted to Repaying the Principal of General Bonded Debt (b)	Net General Bonded Debt	Taxable Value	Net General Bonded Debt as a Percentage of Taxable Value	Total Debt as a Percentage of Taxable Value	Population	Percentage of Personal Income (c)	Net Debt per Capita
2016	$ 48,801,243	$ 11,239,710	$ 34,255,290	$ 52,511,343,048	0.07%	0.09%	1,243,970	0.06 %	28
2017	47,827,230	11,114,752	33,580,248	54,427,460,698	0.06%	0.09%	1,250,836	0.05 %	27
2018	46,813,617	12,499,506	34,314,111	56,774,603,957	0.06%	0.08%	1,255,936	0.05 %	27
2019	45,754,204	13,426,152	32,328,052	59,394,604,916	0.05%	0.08%	1,262,034	0.05 %	26
2020	44,655,191	13,179,200	31,475,991	61,698,083,299	0.05%	0.07%	1,274,395	0.03 %	25
2021	43,506,178	12,129,233	31,376,945	65,781,944,426	0.05%	0.07%	1,270,017	0.03 %	25
2022	41,937,166	11,842,576	30,094,590	70,987,522,041	0.04%	0.06%	1,269,431	0.03 %	24
2023	40,303,153	12,161,000	28,142,153	76,423,932,880	0.04%	0.05%	1,270,426	0.02 %	22
2024	38,594,141	14,155,594	24,438,547	80,630,348,896	0.03%	0.05%	1,296,888	0.02 %	19
2025	35,579,582	14,509,500	21,070,082	84,696,155,211	0.02%	0.04%	1,288,337	* %	16

* Fiscal year 2026 information is not yet available.

Note: (a) All debt is related to governmental activities

(b) This is the amount restricted for debt service principal payments, contained in the Qualified School Construction Bond Debt Service Fund and the Qualified School Construction Bond Reserve Debt Service Fund.

(c) Personal income information can be found in the table on Demographic and Economic Statistics.

Sources: Population - U.S. Department of Commerce, Bureau of Census
Taxable Value - Oakland Schools L-4029

Direct and Overlapping Governmental Activities Debt (Unaudited)

Year Ended June 30, 2026

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Oakland County - Net of Self Supporting	$ 155,902,448	0.0%	$ -
Cities, Villages and Townships	1,251,001,065	0.0%	-
Community Colleges	3,785,504	0.0%	-
District Libraries	1,035,529	0.0%	-
Local School Districts	3,811,093,080	0.0%	-
Total overlapping debt	$ 5,222,817,626		-
Direct district debt:			
General Obligation Bonds			35,579,582
Total direct district debt			**$ 35,579,582**

Source: Oakland County Treasurer and Municipal Advisory Council of Michigan

Legal Debt Margin (Unaudited)

Last Ten Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Calculation of debt limit:										
State Equalized Value	$ 63,034,061,500	$ 65,649,975,015	$ 70,074,783,331	$ 74,167,150,677	$ 77,015,169,263	$ 81,512,855,148	$ 88,734,894,114	$ 96,871,883,904	$ 115,424,328,708	$ 122,187,997,049
1/9 of 1% of State Equalized Value	70,037,846	72,944,417	77,860,870	82,407,945	85,572,410	90,569,839	98,594,327	107,635,427	128,249,254	135,764,441
Calculation of debt subject to limit:										
Net debt subject to limit	45,495,000	44,695,000	43,855,000	42,970,000	42,045,000	41,070,000	39,675,000	38,215,000	38,594,141	35,579,582
Legal debt margin	$ 24,542,846	$ 28,249,417	$ 34,005,870	$ 39,437,945	$ 43,527,410	$ 49,499,839	$ 58,919,327	$ 69,420,427	$ 128,249,254	$ 100,184,859
Net debt subject to limit as percent of debt limit	64.96%	61.27%	56.32%	52.14%	49.13%	45.35%	40.24%	35.50%	30.09%	26.21%

Source: Oakland County Treasurer

Note - The legal debt margin is only applicable in the year the debt is issued. Subsequent changes in the legal debt margin only relate to additional debt issued.

Per Section 629(2) of this State Aid Act - An intermediate school district board shall not borrow money or issue bonds for a sum that, together with the outstanding bonded indebtedness of the intermediate school district, exceeds 1/9 of 1% of the state equalized value of the taxable property within the District, unless the question of borrowing the money or issuing bonds is submitted first to a vote of the school electors of the intermediate school district in accordance with Act 451.

Demographic and Economic Statistics (Unaudited)

Last Ten Fiscal Years

Fiscal Years Ended June 30	Population	Total Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2017	1,243,970	$ 81,802,445	$ 68,971	2.9%
2018	1,250,836	86,271,021	68,971	3.4%
2019	1,255,936	91,595,253	72,577	3.7%
2020	1,262,034	92,144,604	72,305	14.9%
2021	1,274,395	96,441,996	75,938	3.6%
2022	1,270,017	102,822,763	80,999	3.5%
2023	1,269,431	107,711,780	84,784	3.1%
2024	1,270,426	115,329,992	88,928	4.3%
2025	1,296,888	121,361,366	93,579	3.7%
2026	1,288,337	*	*	4.6%

* Information not yet available

Source: Population = U.S. Department of Commerce, Bureau of Census
Personal Income = Michigan Bureau of Economic Analysis
Unemployment Rate = Michigan Department of Labor & Economic Growth

Principal Employers (Unaudited)

For the Current Year and Nine Years Prior

	2025 Employees	Rank	Percentage of Total Employment	2016 Employees	Rank	Percentage of Total Employment
Corewell Health (formerly Beaumont Health System)	15,237	1	2.27%	17,896	1	3.01%
Henry Ford Health System	14,693	2	2.19%	3,405	7	0.57%
Stellantis (formerly FCA US LLC, Chrysler)	9,575	3	1.43%	12,564	2	2.12%
United Wholesale Mortgage	9,100	4	1.36%			
General Motors Corporation	7,451	5	1.11%	9,242	3	1.56%
Oakland County Government	3,784	6	0.56%	3,432	6	0.58%
Comerica Bank	3,015	7	0.45%	2,163	10	0.36%
Trinity Health (formerly St. Joseph Mercy)	2,997	8	0.45%	3,098	8	0.52%
Magna International of America Inc.	2,616	9	0.39%	2,199	9	0.37%
Rochester Community School District	2,150	10	0.32%			
Ascension Michigan (formerly St. John Providence Hospital)				4,408	4	0.74%
U.S. Postal Service				4,195	5	0.71%
Total Principal Employers	70,618		10.52%	62,602		10.54%

Fiscal year 2025 information is not yet available.

Source: Oakland County Department of Planning & Economic Development

Full-time Equivalent School District Employees (Unaudited)

For the Current Year and Nine Years Prior

Function/Program	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General government:										
Instruction	126.50	130.45	128.97	130.34	113.00	107.00	104.00	108.00	106.00	90.00
Support services	352.30	357.39	378.75	376.40	370.25	370.98	377.13	379.55	394.13	399.30
Community service	33.00	26.90	12.00	13.00	11.50	11.05	3.10	1.55	1.85	0.80
Subtotal	511.80	514.74	519.72	519.74	494.75	489.03	484.23	489.10	501.98	490.10
External services	77.00	80.00	75.90	83.90	98.90	103.97	106.37	108.52	106.02	107.00
Total Regular Employees	588.80	594.74	595.62	603.64	593.65	593.00	590.60	597.62	608.00	597.10
Part-time or retired employees		60.86	61.08	44.61	38.26	16.30	10.13	12.39	12.28	12.70

Source: School District Human Resource records

Note: The above data is a snapshot of District employees as of June 30 each year.

Definition of Employee Groups:

Instruction - employees dealing directly with the teaching of pupils or the interaction between teacher and pupils. This includes instructors, instructional technicians, and consultants dealing directly with pupils.

Support services - employees providing administrative, technical, and logistical support to facilitate and enhance instruction

Community service - employees that provide services for the community as a whole, such as community welfare activities.

External services - employees providing services for local districts on a cost recovery basis in order to further the State's consolidation of services initiatives.

Part-time or retired employees - substitute teachers or retirees of the Michigan Public School System which are authorized to work for the District on an as-needed basis.

Operating Indicators (Unaudited)

Last Ten Years Ended June 30

Year	Enrollment	Operating Expenditures/Uses	Cost per Pupil	Operating Revenue/Sources	Revenue per Pupil	Total Teaching Staff
2017	188,951	$ 289,651,657	$ 1,533	$ 300,107,206	$ 1,588	126.50
2018	188,989	296,043,892	1,566	305,999,401	1,619	130.45
2019	186,932	309,365,833	1,655	316,737,804	1,694	128.97
2020	188,435	313,106,814	1,662	324,623,005	1,723	130.34
2021	187,021	323,752,115	1,731	332,896,532	1,780	113.00
2022	181,036	345,740,664	1,910	354,240,828	1,957	107.00
2023	179,826	380,858,401	2,118	404,732,255	2,251	104.00
2024	178,372	406,670,710	2,280	434,000,994	2,433	108.00
2025	177,448	434,118,967	2,446	459,303,050	2,588	106.00
2026	175,340	477,931,080	2,726	499,115,003	2,847	90.00

Source: Prior year District financial reports

Facility Capital Asset Owned and Leased Information (Unaudited)

Last Ten Fiscal Years Ended June 30

Function/Program	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Vocational education buildings owned:										
Number of buildings	2	2	2	2	2	2	2	2	2	2
Square footage	200,414	200,414	200,414	200,414	200,414	200,414	200,414	200,414	200,414	200,414
Vocational education buildings leased:										
Number of buildings	2	2	2	2	2	2	2	2	2	2
Square footage	218,801	218,801	218,801	218,801	218,801	218,801	218,801	218,801	218,801	218,801
Special education buildings owned:										
Number of buildings	1	-	-	-	-	-	-	-	-	-
Square footage	19,317	-	-	-	-	-	-	-	-	-
Other buildings owned:										
Number of buildings	2	2	2	2	2	2	1	1	1	1
Square footage	166,238	166,238	166,238	166,238	166,238	166,238	133,238	133,238	133,238	133,238
Other buildings leased:										
Number of buildings	2	2	2	2	2	2	1	1	1	1
Square footage	38,339	38,339	38,339	38,339	38,339	38,339	33,747	33,747	33,747	33,747
Total buildings owned and leased:										
Number of buildings	9	8	8	8	8	8	6	6	6	6
Square footage	643,109	623,792	623,792	623,792	623,792	623,792	586,200	586,200	586,200	586,200

Source: District internal records

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

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

Independent Auditor's Report

To Management and the Board of Education
Oakland Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of Oakland Schools (the "School District") as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 21, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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To Management and the Board of Education
Oakland Schools

Purpose of this Report

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

Plante & Moran, PLLC

October 21, 2026