HURON ACADEMY

Macomb County, Michigan

Annual Financial Report

For the year ended June 30, 2026



HUNGERFORD

CPAs • ADVISORS • TECHNOLOGY • WEALTH

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

October 27, 2026

The Board of Directors
Huron Academy
Macomb County, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Huron Academy (the "Academy") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy 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 Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America 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 Academy'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 Academy'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 listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the 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 Huron Academy's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2026, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

Hungerford

Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Huron Academy ("the Academy"), we offer readers of the Academy's financial statements this narrative overview and analysis of the financial activities of the Academy for the fiscal year ended June 30, 2026. We encourage readers to consider the information presented here in conjunction with the Academy's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of four parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information and Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the Academy:

- The first two statements, the Statement of Net Position and the Statement of Activities, are *academy-wide financial statements* that provide both short-term and long-term information about the Academy's overall financial status.

- The remaining statements are *governmental funds statements* that tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

The Basic Financial Statements also include Notes to Basic Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data. Required supplementary information includes a budgetary comparison schedule for the general fund; supplementary information follows and includes combining and individual fund statements and schedules.

Academy-wide Statements

The academy-wide financial statements report information about the Academy as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Academy's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two academy-wide statements report the Academy's net position, and how it has changed. Net position - the difference between the Academy's assets and liabilities - is one way to measure the Academy's financial health or position.

- Over time, increases or decreases in the Academy's net position is an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the Academy's overall health, one should consider additional non-financial factors such as economic factors that might influence state aid revenue, and the condition of school buildings and other facilities.

In the academy-wide financial statements, the Academy's activities are presented as follows:

- Governmental activities: The Academy's basic services are included here, such as regular and special education, instructional support, transportation, administration, business services, operation and maintenance, and community services. State aid finances most of these activities.

New Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) issued Statement No. 103, Financial Reporting Model Improvements. The requirements of this statement enhance certain aspects of the existing financial reporting model, including management's discussion and analysis, unusual or infrequent items, and budgetary comparison information. The Academy implemented this statement for the fiscal year ended June 30, 2026.

Financial Summary

The Statement of Net Position provides financial information on the Academy as a whole.

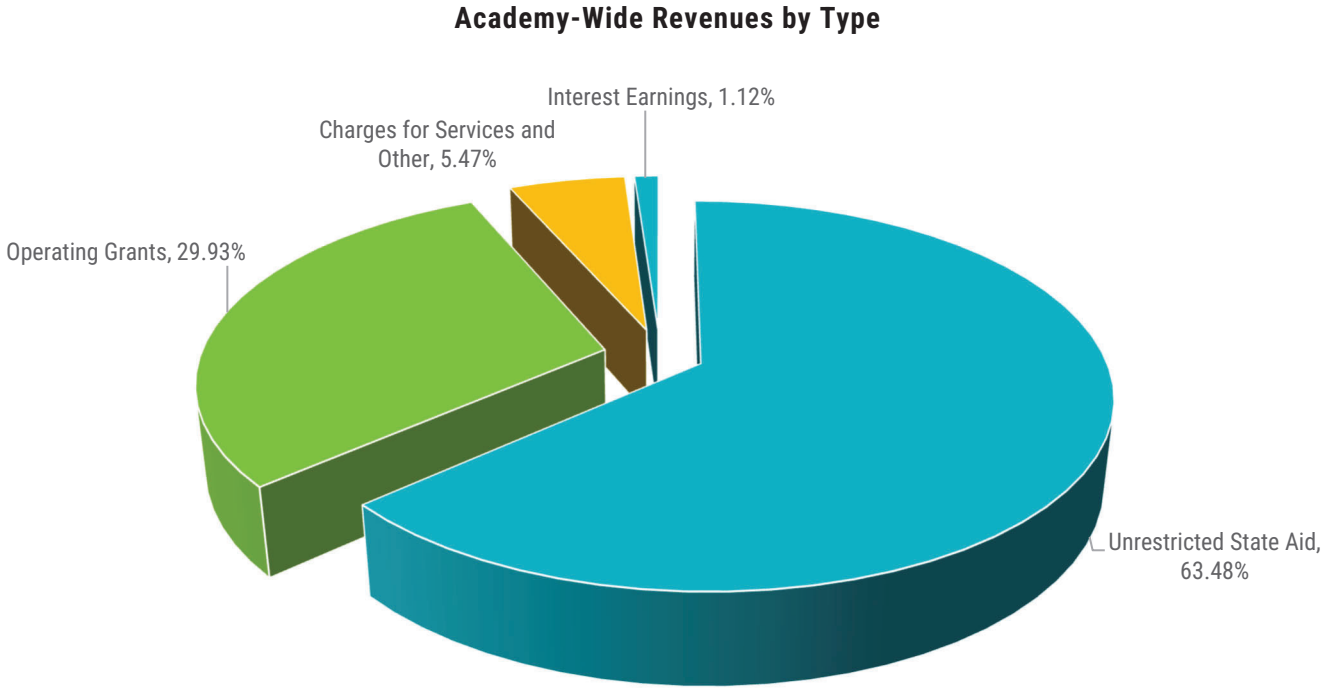
	2026	2025	Dollar Change	Percent Change
Assets				
Current assets	$ 6,754,026	$ 11,253,619	$ (4,499,593)	-40.0%
Net capital assets	13,338,762	8,411,783	4,926,979	58.6%
Total Assets	**20,092,788**	**19,665,402**	**427,386**	2.2%
Liabilities				
Current liabilities	2,267,517	1,810,747	456,770	25.2%
Long-term liabilities	12,738,515	12,965,025	(226,510)	-1.7%
Total Liabilities	**15,006,032**	**14,775,772**	**230,260**	1.6%
Net Position				
Net investment in capital assets	379,054	376,622	2,432	0.6%
Restricted	1,279,397	951,419	327,978	34.5%
Unrestricted	3,428,305	3,561,589	(133,284)	-3.7%
Total Net Position	**$ 5,086,756**	**$ 4,889,630**	**$ 197,126**	4.0%

The Statement of Activities presents changes in net position from operating results:

	2026	2025	Dollar Change	Percent Change
Program Revenues				
Charges for services	$ 325,568	$ 315,498	$ 10,070	3.2%
Operating grants	3,168,316	2,263,641	904,675	40.0%
General Revenues				
State school aid, unrestricted	6,720,768	7,602,972	(882,204)	-11.6%
Interest earnings	118,247	100,000	18,247	18.2%
Other	253,506	144,480	109,026	75.5%
Total Revenues	10,586,405	10,426,591	159,814	1.5%
Expenses				
Instruction	4,956,531	4,687,141	269,390	5.7%
Supporting services	3,492,367	3,188,861	303,506	9.5%
Food service	548,784	469,500	79,284	16.9%
Community services	239,742	231,371	8,371	3.6%
Depreciation - unallocated	436,458	419,605	16,853	4.0%
Interest on long term bonds	706,005	537,146	168,859	31.4%
Other	9,392	1,888	7,504	397.5%
Total Expenses	10,389,279	9,535,512	853,767	9.0%
Increase in net position	197,126	891,079	(693,953)	-77.9%
Net Position, Beginning of Year	4,889,630	3,998,551	891,079	22.3%
Net Position, End of Year	**$ 5,086,756**	**$ 4,889,630**	**$ 197,126**	4.03%

Detailed Analysis – Academy Wide

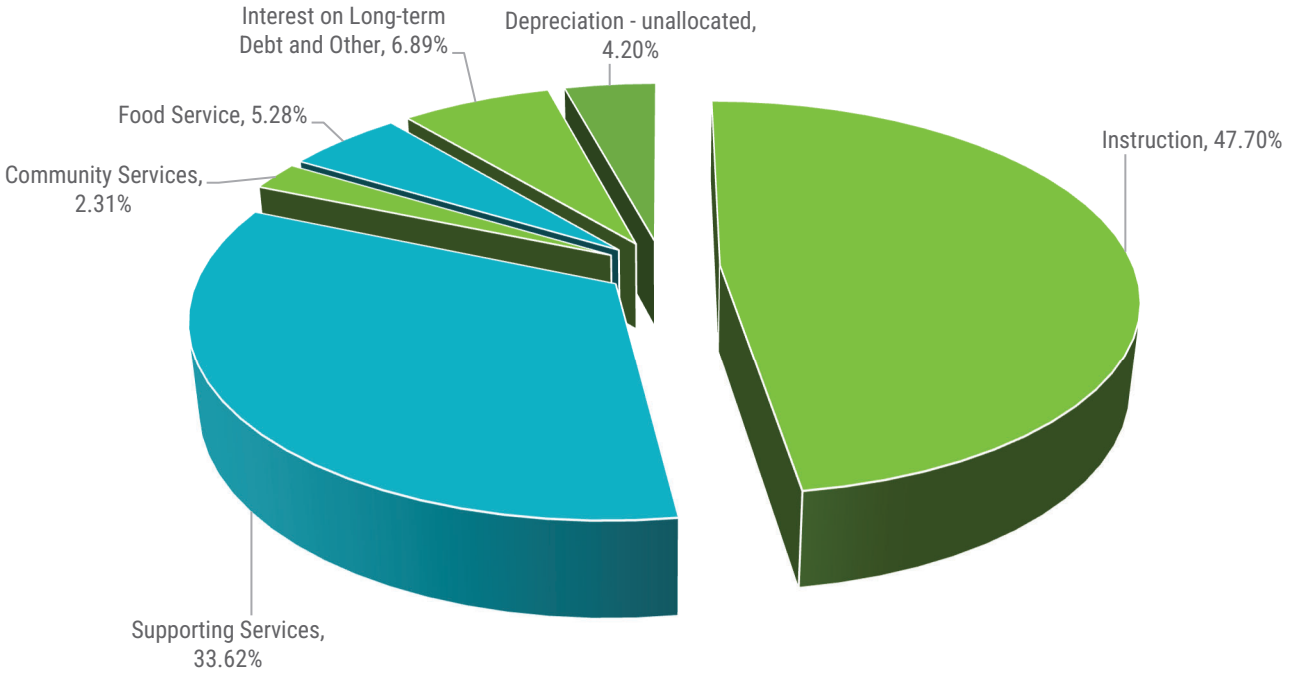
Total revenues exceeded total expenses by $197,126, increasing total net position from $4,889,630 at June 30, 2025 to $5,086,756 at June 30, 2026. Unrestricted net position decreased by $133,284 to $3,428,305. The Academy's financial position is the product of various financial transactions including the net results of activities, the acquisition and payment of debt, and the acquisition and depreciation of capital assets. A large portion of the Academy's net position reflects investments in capital assets (e.g., construction in progress, buildings and improvements, and furniture and equipment); less any related outstanding debt used to acquire those assets. The Academy uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the Academy's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must provide from other sources, since capital assets themselves cannot be used to liquidate these liabilities.



The Academy's total revenues increased by 1.5% to $10.59 million for the year ended June 30, 2026. General revenues are primarily derived from unrestricted state school aid (63.5% of total) and are heavily influenced by legislative actions, economic conditions, and student enrollment trends. State school aid, which represents the Academy's largest source of unrestricted revenue, is dependent upon annual appropriations by the state and funding formulas that consider pupil membership and other factors established by the law. Changes in enrollment or state funding levels may have significant impact on the Academy's annual operating revenues. Unrestricted state school aid decreased by 11.6% during the year ended June 30, 2026, and whereas the Academy received an increase of $442 per student due to the increase in the foundation allowance, these additional revenues were offset by a 0.7% decrease in student enrollment and prior-year state aid adjustments and categorical funding shifts, including standard timing deductions and reallocations under State Aid Section 18(4) and prior-year recalculations.

The Academy also received operating grants consisting of federal and state grant funding to support specific education programs and other initiatives. Grant revenues are generally restricted for designated purposes and may vary from year-to-year based on the availability of funding, eligibility requirements, and the timing of program expenditures. As a result, changes in grant activity can contribute to fluctuations in total revenues reported by the Academy. Operating grant revenues (29.9% of total) increased by 40.0% during the year ended June 30, 2026, which resulted primarily from increased state and federal grant funding, including Section 31a At-Risk allocations, Title programs, the Summer Discovery Grant, the Out of School Time Grant, and the Ferris State University Competitive Grant.

Academy-Wide Expenses by Function



The total cost of all programs increased by 9.0% to $10,389,279 for the year ended June 30, 2026. The Academy's expenses are predominantly related to instruction (47.7%) and supporting services (33.6%), which include various functions such as caring for (pupil services) and transporting students, administrative services, and operation and maintenance services. Other expenses include food service, community services, interest on long-term debt, and depreciation expense.

Functional expenses (instruction, supporting services, food service, community services) reported in the academy-wide financial statements include adjustments related to GASB Statement No. 34 that are not reflected in the governmental fund statements. These adjustments for the Academy are largely attributable to capital asset activity and long-term debt transactions, including principal repayments and related liabilities, which are allocated to the Academy's various functions. Accordingly, year-over-year changes in functional expenses may reflect both operational changes and fluctuations in these allocated accounting adjustments.

The significant change in instruction and supporting services expenses reported between 2025 and 2026 is attributed to the adjustments for GASB Statement No. 34, which were impacted heavily by significant capital asset activity during the year, including the addition of $5.24 million to the construction in progress balance. However, changes in expenditure levels reported in the governmental fund financial statements, and more specifically, the major funds of the Academy, contribute directly to changes reflected in the academy-wide financial statements. For consideration of the impact of year-over-year changes reported in the Academy's general fund, including those related to costs of instruction and supporting services, see commentary in the *Detailed Analysis – Major Funds* section that follows.

Other significant changes in academy-wide expenses for the year ended June 30, 2026 include:

- Food services expenses increased $79,284 (16.9%) due to increased food costs, higher meal participation across the student body, and expanded student dining operations, which required a General Fund operating transfer of $72,178 to support the program.

Detailed Analysis – Major Funds

The fund financial statements provide more detailed information about the Academy's funds, focusing on its most significant or "major" funds - not the Academy as a whole. Funds are accounting devices the Academy uses to keep track of specific sources of funding and spending on particular programs. As a general rule, fund balances from one fund are prohibited from being expended on expenditures of another fund.

The Academy utilizes one kind of fund:

- *Governmental funds*: Most of the Academy's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy's programs. Because this information does not encompass the additional long-term focus of the academy-wide statements, additional information following the governmental funds' statements explains the relationship (or differences) between them.

The Academy reports three major funds individually in the governmental fund financial statements. Those funds include the General Fund, Debt Service Fund, and Capital Projects Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the Academy's current financial health are more apparent in the fund financial statements than in the Academy-wide financial statements. The significant changes are shown in the table and discussed in more detail below.

	General Fund		Debt Service Fund		Capital Projects Fund	
	2026	2025	2026	2025	2026	2025
Local sources	$ 493,302	$ 310,750	$ 40,444	$ 43,348	$ 68,762	$ 112,073
State sources	8,598,138	8,119,480	-	-	-	-
Federal sources	364,125	635,110	-	-	-	-
Interdistrict sources	455,839	455,842	-	-	-	-
Total Revenues	9,911,404	9,521,182	40,444	43,348	68,762	112,073
Expenditures						
Current:						
Instruction	4,956,531	4,687,141	-	-	-	-
Supporting services	3,073,643	2,509,332	18,208	505,316	36,484	62,825
Community services	239,742	231,371	-	-	-	-
Interdistrict	9,392	1,888	-	-	-	-
Capital outlay	-	108,659	-	-	5,413,014	1,244,788
Debt service	25,330	98,529	651,775	7,993,807	-	-
Total Expenditures	$ 8,304,638	$ 7,636,920	$ 669,983	$ 8,499,123	$ 5,449,498	$ 1,307,613

General Fund

The General Fund is the Academy's primary operating fund and accounts for much of the financial activity reported as governmental activities in the academy-wide financial statements. Consequently, trends in the academy-wide financial statements generally mirror the results of operations reported in the General Fund, with state school aid and operating grants serving as the Academy's most significant revenue sources. Differences between changes in General Fund balance and changes in net position are primarily attributable to accrual-based adjustments for capital assets, long-term debt, and other long-term obligations reported in the academy-wide financial statements.

Significant changes noted for the year ending June 30, 2026 were as follows:

- Revenues from local sources increased $182,552 (58.7%), primarily the result of higher earnings on cash equivalents and short-term pooled investments (MILAF) due to favorable interest rates, along with local activity fees and donations.

- State revenues increased by $478,658 (5.9%); attributed to the $442 per pupil increase in the foundation allowance, and increases in Section 31a At-Risk categorical revenues ($786,571), Special Education Headlee Obligation payments ($130,352), and prior-year state aid adjustments.

- Revenues from federal sources decreased by $270,985 (42.7%) as a result of the planned reduction and expiration of one-time emergency pandemic relief funds (ESSER/COVID grants) and the timing of remaining Title grant expenditures.

- Instructional expenditures increased by $269,390 (5.7%) due to a combination of factors, including routine salary and benefit step increases for teaching staff, additional added needs intervention staff, and the adoption of the new Eureka Math and ELA curricula.

- Expenditures for supporting services increased by $564,311 (22.5%); attributed primarily to increased operational and maintenance costs at the Utica Road facility, upgraded central technology services and contracts, and higher building administrative services.

Because GASB Statement No. 103 requires explanations of significant budgetary variances as required supplementary information, some factors affecting changes in the General Fund revenues and expenditures may also be discussed outside the MD&A, reducing duplication while still providing users with relevant analysis. Users of this report should also consider the Budgetary Comparison schedule (page 40) and the related notes to the Budgetary Comparison Schedule (page 41), which provide additional discussion of significant budget-to-actual variances that may help explain changes in General Fund operating results and fund balance from the prior year.

Debt Service Fund

The Debt Service Fund accounts for resources restricted for the payment of principal and interest on the Academy's long-term debt obligations. Significant changes noted for the year ending June 30, 2026 were as follows:

- Supporting services expenditures decreased by $487,108 (96.4%), attributed to one-time bond issuance costs, financial advisory, and underwriter fees incurred in FY25 for the December 2024 Revenue and Refunding Bond issuance ($13.27 million), which were not repeated in FY26.

- Debt service expenditures, which include all principal and interest payments, decreased by $7,342,032 (91.8%), consistent with requirement debt payment schedules. Expenditures in the prior year were significantly higher due to the retirement of one of the Academy's revenue bonds, which was paid in full ($7.5 million) using proceeds of the 2024 Revenue and Refunding bond issuance in December 2024.

Capital Projects Fund

The Capital Projects Fund of the Academy accounts for bond proceeds used for capital improvement projects. Fluctuations in expenditures and local source (interest) revenue are expected in a Capital Projects Fund, driven by levels of construction activity and declining cash and investment balances as projects progress to completion.

Significant changes noted in the Capital Projects Fund for the year ended June 30, 2026 were consistent with this expectation, as capital outlay expenditures increased by $4.18 million (336%), and local source revenues decreased by $43,311 (38.6%). These changes are reflective of the significant progress made on capital improvement initiatives associated with the 2024 Revenue and Refunding bond issuance. As of June 30, 2026 the Academy had invested $6,149,318 in construction in progress, successfully completing the building project that consolidated both campuses into the Utica Road facility; related exterior site work—including the $1.32 million parking lot expansion, retention basin, and traffic light—was in progress for completion in early FY27.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

At the end of fiscal year 2025-26, the Academy had a $18.3 million investment in a broad range of capital assets including construction in progress, school buildings, administrative offices, furniture and equipment, and right to use assets.

At June 30, 2026, the Academy's net investment in capital assets (after accumulated depreciation and amortization) was $13,338,762. Net capital asset additions totaled $5,363,437 for the fiscal year and depreciation expense on assets in service was $436,458, resulting in an increase in net capital assets of $4,926,979 from the previous year end.

More detailed information about capital assets can be found in Note E in the Notes to the Basic Financial Statements.

During the fiscal year, the Academy derecognized $333,167 of fully amortized right-to-use land assets (with equal reduction of $333,167 in accumulated amortization) upon the completion of campus consolidation and termination of the underlying lease agreement.

Long-term Obligations

At year end, the Academy had $13.28 million in limited liability bonds and other long-term liabilities outstanding – a net decrease of $24,608 from last year.

- The Academy continued to pay down its debt, retiring $24,608 of outstanding lease liabilities.

We present more detailed information about our long-term liabilities in Note F in the Notes to Basic Financial Statements.

Currently Known Facts, Decisions, or Conditions

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

- The State of Michigan continues to focus on student achievement. Federal fund allocations have not been released at this time, which could cause slight financial stress on the budget due to the continued support of the programs that assist some students. Results of standardized test score data (Michigan Educational Assessment Program and the Michigan Merit Exam) are compared from year to year to evaluate student needs. The results being tabulated by the school building and by the Academy assist with data-driven changes. The Academy continues to follow the yearly progress of students and will address the need for assistance, both academically, socially, and mentally. The Academy has purchased a new curriculum to assist with the students' knowledge and achievement in academic areas such as Math and ELA.

- As the Academy continues to face the budget challenges of the current and upcoming school years, operating efficiencies and balanced budgets will be necessary. The ability to continue to operate an adequate educational system with level revenues and increasing expenditures is the challenge of the future. The Board of Education and the Finance Sub-Committee are continuously reviewing budgets for fiscal oversight, fiscal responsibility, and financial planning.

- During the 2025-2026 school year, Huron Academy continues to assess learning levels and social-emotional well-being. The Academy continues to allocate additional resources toward distance learning. Resources allocated included devices, consumables, and teacher time. Distance learning needs will continue to be an issue in the future since more and more families are choosing this avenue for their students' education. Federal and state grant monies have been allocated towards some of these expenditures, but many may need to be covered by traditional general fund dollars.

- For the 2025-2026 school year, Huron Academy is re-evaluating the Academy's financial status regularly due to economic concerns and unknown additional costs from the effects of increasing expenditures. The projected funding has helped stabilize the upcoming year; however, the Academy will be utilizing some of the reserve funds and is working to address a temporary economic downturn. Cost-saving measures are continually being discussed and will be implemented to assist in stabilizing the Academy reserves for the future.

- The Academy completed a building project that merged their 2 campuses into the building on Utica Road during the 2025-2026 school year.

- The Academy was awarded the following grants to benefit the students continued growth: Summer Discovery Grant, Out of School Time Grant and the Ferris State University Competitive Grant.

Contacting the Academy's Financial Management

This financial report is designed to provide the Academy's citizens, taxpayers, customers, and investors and creditors with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Huron Academy, 3601 Utica Road, Charter Twp. Of Clinton, MI 48305.

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BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

HURON ACADEMY
June 30, 2026

	Governmental Activities
Assets	
Cash equivalents (Note B)	$ 4,944,522
Due from other governmental units	1,519,189
Prepaid expenses	290,315
Capital assets not being depreciated, net (Note E)	6,149,318
Capital assets being depreciated, net (Note E)	7,189,444
Total Assets	20,092,788
Liabilities	
Accounts payable	396,080
Due to other governmental units	500,000
Accrued expenses	590,674
Unearned revenue	451,747
Accrued interest	107,823
Long term liabilities (Note F):	
Due within one year	221,193
Due in more than one year	12,738,515
Total Liabilities	15,006,032
Net Position	
Net investments in capital assets	379,054
Restricted for:	
Student/school activity	67,160
Debt service	868,949
Capital projects	343,288
Unrestricted	3,428,305
Total Net Position	$ 5,086,756

STATEMENT OF ACTIVITIES

HURON ACADEMY
For the year ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes In Net Position
Governmental Activities				
Instruction	$ 4,956,531	$ -	$ 2,697,334	$ (2,259,197)
Supporting services	3,492,367	-	-	(3,492,367)
Food service	548,784	-	470,982	(77,802)
Community services	239,742	325,568	-	85,826
Depreciation - unallocated*	436,458	-	-	(436,458)
Interest on long-term debt	706,005	-	-	(706,005)
Other	9,392	-	-	(9,392)
Total Governmental Activities	$ 10,389,279	$ 325,568	$ 3,168,316	(6,895,395)
	General Revenues			
	State school aid, unrestricted			6,720,768
	Interest earnings			118,247
	Other			253,506
	Total General Revenues			7,092,521
	Change in Net Position			197,126
	Net Position - Beginning of Year			4,889,630
	Net Position - End of Year			$ 5,086,756

BALANCE SHEET
GOVERNMENTAL FUNDS

HURON ACADEMY
June 30, 2026

	General	Debt Service	Capital Projects	Nonmajor	Totals
Assets					
Cash equivalents (Note B)	$ 3,139,503	$ 1,467,782	$ 250,038	$ 87,199	$ 4,944,522
Due from other funds	25,663	8,990	93,250	-	127,903
Due from other governmental units	1,519,189	-	-	-	1,519,189
Prepaid expenditures	290,315	-	-	-	290,315
Total Assets	$ 4,974,670	$ 1,476,772	$ 343,288	$ 87,199	$ 6,881,929
Liabilities and Fund Balance					
Liabilities					
Accounts payable	$ 396,080	$ -	$ -	$ -	$ 396,080
Due to other funds	107,864	-	-	20,039	127,903
Due to other governmental units	-	500,000	-	-	500,000
Accrued expenditures	590,674	-	-	-	590,674
Unearned revenue	451,747	-	-	-	451,747
Total Liabilities	$ 1,546,365	$ 500,000	$ -	$ 20,039	$ 2,066,404
Fund Balance (Note A)					
Nonspendable	290,315	-	-	-	290,315
Restricted	-	976,772	343,288	67,160	1,387,220
Unassigned	3,137,990	-	-	-	3,137,990
Total Fund Balances	3,428,305	976,772	343,288	67,160	4,815,525
Total Liabilities and Fund Balance	$ 4,974,670	$ 1,476,772	$ 343,288	$ 87,199	$ 6,881,929

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

HURON ACADEMY
For the year ended June 30, 2026

Total governmental fund balances		$ 4,815,525
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is $18,276,937 and accumulated depreciation is $4,938,175.		13,338,762
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Limited obligation bonds	$ (13,270,000)	
Bond discount, unamortized	319,020	
Lease liabilities	(8,728)	(12,959,708)
Accrued interest on general obligation bonds is not included as a liability in governmental funds.		(107,823)
Total net position - governmental activities		$ 5,086,756

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

HURON ACADEMY
For the year ended June 30, 2026

	General	Debt Service	Capital Projects	Nonmajor	Totals
Revenues					
Local sources	$ 493,302	$ 40,444	$ 68,762	$ 94,813	$ 697,321
State sources	8,598,138	-	-	2,645	8,600,783
Federal sources	364,125	-	-	468,337	832,462
Interdistrict sources	455,839	-	-	-	455,839
Total Revenues	9,911,404	40,444	68,762	565,795	10,586,405
Expenditures					
Current:					
Instruction	4,956,531	-	-	-	4,956,531
Supporting services	3,073,643	18,208	36,484	85,117	3,213,452
Food service	-	-	-	548,784	548,784
Community services	239,742	-	-	-	239,742
Interdistrict	9,392	-	-	-	9,392
Capital outlay	-	-	5,413,014	-	5,413,014
Debt service:					
Principal payment	24,608	-	-	-	24,608
Interest and fiscal charges	722	651,775	-	-	652,497
Total Expenditures	8,304,638	669,983	5,449,498	633,901	15,058,020
Excess (Deficiency) of Revenues Over Expenditures	1,606,766	(629,539)	(5,380,736)	(68,106)	(4,471,615)
Other Financing Sources (Uses)					
Transfers in	-	851,285	656,699	77,802	1,585,786
Transfers out	(1,559,710)	(26,076)	-	-	(1,585,786)
Total Other Financing Sources (Uses)	(1,559,710)	825,209	656,699	77,802	-
Net Change in Fund Balance	47,056	195,670	(4,724,037)	9,696	(4,471,615)
Fund Balance, Beginning of Year	3,381,249	781,102	5,067,325	57,464	9,287,140
Fund Balance, End of Year	$ 3,428,305	$ 976,772	$ 343,288	$ 67,160	$ 4,815,525

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

HURON ACADEMY
For the year ended June 30, 2026

Net change in fund balances - total governmental funds		$ (4,471,615)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period:		
Capital outlay	$ 5,363,437	
Depreciation/amortization expense	(436,458)	4,926,979
Repayment of principal on long-term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities:		
Lease liabilities		24,608
Bond discounts are amortized over the life of the bond issue on the Statement of Activities.		5,317
Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest accrues regardless of when it is paid.		(53,508)
Revenue recognized in the fund financial statements that was previously reported in the Statement of Activities.		(234,655)
Total changes in net position - governmental activities		$ 197,126

NOTES TO BASIC FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Huron Academy (the "Academy") was organized pursuant to Part 6A of Public Act 451 of 1976, as amended, and operates under a charter contract granted by its authorizing body, Ferris State University. The Academy filed articles of incorporation as a nonprofit corporation pursuant to provisions of the Michigan Nonprofit Corporation Act of 1982, as amended, in June 1999, and began operations in July 1999. The Academy currently is servicing approximately 670 students.

As authorizer, the Ferris State University's Board of Regents serves as the Academy's fiscal agent for purposes of receiving and forwarding state school aid payments and is responsible for oversight of its compliance with the terms of the charter contract and applicable law. The Academy pays Ferris State University for administrative fees in the amount of three percent of total state aid received, as required by law.

The Academy contracts with CS Partners, Inc., CSP Management Inc., doing business as Partner Solutions for Schools. As a wholly owned subsidiary of CS Partners, Partner Solutions for Schools is the employer of record for all staff assigned to work at the Academy. CS Partners provides the educational consulting services and oversees the management and operational services of the Academy. Together, CS Partners and CSP Partner Solutions are jointly responsible for providing the Services under this Agreement.

The financial statements of Huron Academy have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to school Academies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Academy's significant accounting policies are described below.

1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The Academy is a primary government because it is a special-purpose government that has a separately appointed governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the Academy for financial statement presentation purposes, and the Academy is not included in any other governmental reporting entity. Consequently, the Academy's financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

2. Academy-wide and Fund Financial Statements

Academy-wide Financial Statements - The academy-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) present financial information about the Academy as a whole. The reported information includes all of the nonfiduciary activities of the Academy. The Academy does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the Academy. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Academy does not have any *business-type activities*.

The Statement of Net Position is reported on the full accrual, economic resources basis, which recognizes all long-term assets as well as all long-term debt and obligations. The Academy's net position is reported in three parts: investment in capital assets, net of related debt; restricted net position, and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Unrestricted state aid, interest earnings, and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund, Debt Service Fund and Capital Projects Fund are the Academy's major funds. Nonmajor funds are aggregated and presented in a single column.

Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities, and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the academy-wide level. Reconciliations between the two sets of statements are provided separately.

Revenues are recognized when susceptible to accrual, i.e., both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Academy considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Revenues susceptible to accrual are state aid, federal and interdistrict revenues and investment income. Other revenues are recognized when received. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Academy before it has a legal claim to them, as when grant monies are received prior to the incurrence of the qualifying expenditures.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Academy-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting.* Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a State-wide formula. The foundation allowance is funded from a combination of State and local sources. Revenues from State sources are primarily governed by the School Aid Act and the School Code of Michigan. The State portion of the foundation is provided from the State's School Aid Fund and is recognized as revenues in accordance with State law and accounting principles generally accepted in the United States of America.

Governmental Funds

Governmental funds are those funds through which most school academy functions typically are financed. The acquisition use and balances of a school academy's expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Fund–The General Fund is the general operating fund of the Academy. It is used to account for all financial resources, except those required to be accounted for in another fund. Included are all transactions related to the current operating budget.

Special Revenue Funds–Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes.

School Service Funds—School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. A school district maintains full control of these funds. The School Service funds maintained by the Academy are the Food Service and Student/School Activities Special Revenue Funds.

Debt Service Fund–The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt (bonds, notes, loans, leases, and school bond loan) principal, interest, and related costs.

Capital Projects Fund–The Capital Project Fund is used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished.

The Capital Projects Fund includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the Academy has complied with the applicable provisions of Section 1351a of the State of Michigan's School Code.

When both restricted and unrestricted resources are available for use, it is the Academy's policy to use restricted resources first, then unrestricted as they are needed.

4. Budgets and Budgetary Accounting

State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act) requires that the General Fund of an academy be under budgetary control and that both budgeted and actual financial results do not incur a deficit. The Academy has also adopted budgets for its special revenue funds. An academy's General Appropriations Resolution (the "budget") must be adopted before the beginning of each fiscal year. No violations (dollar deviations) from an academy's budget may occur without a corresponding amendment to the budget. An academy has the ability to amend the budget provided that the amendment is prior to the occurrence of the deviation and prior to the fiscal year end. An academy may also permit the chief administrative or fiscal officer to execute transfers between line items, within defined dollar or percentage limits, without prior approval of the Board of Directors. Expenditures may not legally exceed budgeted appropriations at the function level. All appropriations lapse at the end of the fiscal year.

Huron Academy utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- In the spring, administrative personnel propose operating budgets for the ensuing fiscal year.
- In June, a preliminary operating budget is submitted to the Board of Directors. This budget includes proposed expenditures and the means of financing them.
- After the budget is finalized, the Board of Directors adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.
- The original General Fund and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).
- The budgets for the General Fund and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the governmental funds. There were no substantial encumbrances outstanding at year end.

6. Capital Assets

Capital assets, which include furniture and equipment, are reported in the academy-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed $5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at fair value at the date of donation.

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

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

Buildings and improvements	10 - 50 years
Furniture and equipment	5 - 15 years

Leased equipment is amortized using the straight-line method over the shorter of the useful life or contract term.

7. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws, or regulations from other governments.

8. Fund Balance

The Academy had adopted Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The stated objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, detailed as follows:

- Nonspendable – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).

- Restricted – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

- Committed – resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Board of Directors). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts.

- Assigned – resources that are constrained by the government's *intent* to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes.

- Unassigned – unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

As of June 30, 2026, Huron Academy had not established a policy for its use of unrestricted fund balance amounts; it considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

9. Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note B – Cash Equivalents

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, securities, and other obligations of the United States, or an agency or instrumentality of the United States.

- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.

- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.

- United States or federal agency obligation repurchase agreements.

- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.

- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school academy in Michigan.

- Investment pools, as authorized by the surplus funds investment pool act. Act 367 of the Public Acts of 1982 being sections 129.11 to 129.118 of the Michigan compiled laws, composed entirely of instruments that are legal for direct investment by an academy in Michigan.

Balances at June 30, 2026 related to cash equivalents are detailed in the Basic Financial Statements as follows:

Statement of Net Position:	
Governmental activities	$ 4,944,522

Depositories actively used by the Academy during the year are detailed as follows:

1. Fifth Third Bank

Cash equivalents consist of bank public funds checking accounts and mutual funds.

June 30, 2026 balances are detailed as follows:

Cash equivalents	$ 2,217,660

Custodial Credit Risk Related to Bank Deposits
Custodial credit risk is the risk that in the event of bank failure, the Academy's bank deposits may not be returned to the Academy. Protection of the Academy's bank deposits is provided by the Federal Deposit Insurance Corporation (FDIC). At year end, the carrying amount of the Academy's cash equivalents was $2,217,660, and the bank balance was $2,217,656. Of the bank balance $250,000 was covered by FDIC insurance, and $1,967,656 was uninsured and uncollateralized.

Investments

As of June 30, 2026, the Academy had the following investments:

Surplus Funds Investment Pool Accounts:	
Michigan Liquid Asset Fund Plus (MILAF+) – MAX Class	$ 2,726,862

The Michigan Liquid Asset Fund Plus (MILAF+) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF is not regulated or registered with the Securities Exchange Commission. The MILAF+ Fund is rated AAAm by Standard and Poor's and is carried at amortized cost. The MILAF+ MAX Class requires a 14-day redemption notice.

Custodial Credit Risk Related to Investments
Custodial Credit risk is the risk that, in the event of a failure of the counterparty, the Academy may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Academy minimizes custodial credit risk by limiting investments to the types of securities allowed by the State statute.

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Academy's investment policy does not specifically address credit risk but minimizes its credit risk by limiting investments to the types allowed by the State.

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

Concentration of Credit Risk
The Academy minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the Academy's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The Academy's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security.

Foreign Currency Risk
The Academy is not authorized to invest in investments which have this type of risk.

Note C – State School Aid

On March 15, 1994, the voters of the State of Michigan approved Proposal A, which increased the State Sales and Use Tax rates from 4% to 6% and established a State Education Tax at a rate of 6 mills on all property, except that which is exempt by law from ad valorem property taxes, and dedicated the additional revenues generated to Michigan school districts.

State revenues pass through to Michigan schools in the form of a per pupil "Foundation Allowance" paid on a "blended count" of Academy pupil membership in February 2025 and October 2025. The 2025-26 "Foundation Allowance" for Huron Academy was $10,050 for 670 "Full Time Equivalent" students, generating $7,889,659 in state aid payments to the Academy of which $1,408,824 was paid to the Academy in July and August, 2026 and included in "Due From Other Governmental Units" of the General Fund.

Note D – Interfund Receivables/Payables and Transfers

Amounts due from (to) other funds, representing interfund receivable and payables for year-end expenditure allocations not reimbursed at June 30, 2026 are detailed as follows:

	Due From	Due To
Major Funds:		
General Fund:		
Special Revenue Funds:		
Food Service	$ 5,624	$ -
Student/School Activity	20,039	-
Capital Projects Fund	-	93,250
Debt Service Fund	-	8,990
Capital Projects Fund:		
General Fund	93,250	-
Debt Service Fund:		
General Fund	8,990	-
Total Major Funds	127,903	102,240
Nonmajor Funds:		
Special Revenue Funds:		
Food Service:		
General Fund	-	5,624
Student/School Activity:		
General Fund	-	20,039
Total Nonmajor Funds	-	25,663
Total All Funds	$ 127,903	$ 127,903

Operating transfers between funds during the year ended June 30, 2026 were as follows:

	Transfers In	Transfers Out
Major Funds:		
General Fund:		
Special Revenue Funds:		
Food Service	$ -	$ 77,802
Capital Projects Fund	-	630,623
Debt Service Fund	-	851,285
Capital Projects Fund:		
General Fund	630,623	-
Debt Service Fund	26,076	-
Debt Service Fund:		
General Fund	851,285	-
Capital Projects Fund	-	26,076
Total Major Funds	1,507,984	1,585,786
Nonmajor Funds:		
Special Revenue Funds:		
Food Service:		
General Fund	77,802	-
Total Nonmajor Funds	77,802	-
Total All Funds	$ 1,585,786	$ 1,585,786

Transfers between funds were for the purpose of supplementing debt service payments, capital outlays, and food service costs.

Note E – Capital Assets

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

	Balances July 1, 2025	Adjustment	Additions	Deductions	Balances June 30, 2026
Capital assets not being depreciated:					
Construction in progress	$ 904,734	$ -	$ 5,244,584	$ -	$ 6,149,318
Capital assets being depreciated and amortized:					
Buildings and improvements	11,171,332	$ 133,547	$ 10,806	$ -	11,315,685
Right to use - land	333,167	-	-	333,167	-
Right to use - copiers	47,960	-	-	-	47,960
Furniture and equipment	789,474	(133,547)	108,047	-	763,974
Total capital assets being depreciated and amortized	12,341,933	$ -	$ 118,853	$ 333,167	12,127,619
Less accumulated depreciation and amortization for:					
Buildings and improvements	3,895,164	$ 30,257	$ 338,288	$ -	4,263,709
Right to use - land	266,533	-	66,634	333,167	-
Right to use - copiers	24,645	-	7,993	-	32,638
Furniture and equipment	648,542	(30,257)	23,543	-	641,828
Total accumulated depreciation and amortization	4,834,884	$ -	$ 436,458	$ 333,167	4,938,175
Total capital assets being depreciated and amortized, net	7,507,049				7,189,444
Net Capital Assets	$ 8,411,783				$ 13,338,762

Depreciation and amortization expense for the Academy was $436,458. The Academy determined it was impractical to allocate depreciation and amortization to various governmental activities as the assets serve multiple functions.

Note F – Long-Term Obligations

Changes in long-term obligations for the year ended June 30, 2026 are summarized as follows:

	Debt Outstanding July 1, 2025	Debt Added	Debt Retired	Debt Outstanding June 30, 2026
Limited obligation bonds:				
Public School Academy Revenue and Revenue Refunding, Series 2024	$ 13,270,000	$ -	$ -	$ 13,270,000
Bond discount	(313,703)	-	5,317	(319,020)
Lease liabilities	33,336	-	24,608	8,728
	$ 12,989,633	$ -	$ 29,925	$ 12,959,708

Long-term obligations and other obligations outstanding at June 30, 2026 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
Limited Obligation Bonds				
$13,270K PSA Revenue and Revenue Refunding, December 3, 2024:				
Annual maturities of $215K to $845K	May 2055	5.00%	$ 13,270,000	$ 215,000
Bond discount, unamortized			(319,020)	(2,535)
Other Obligations				
Lease liabilities	April 2027	4.50	8,728	8,728
			$ 12,959,708	$ 221,193

The annual requirements to pay principal and interest on long-term bonds and leases are as follows:

Years Ending June 30	Limited Obligation Bonds		Lease Liabilities		
	Principal	Interest	Principal	Interest	Total
2027	$ 215,000	$ 646,938	$ 8,728	$ 181	$ 870,847
2028	225,000	637,038	-	-	862,038
2029	235,000	626,688	-	-	861,688
2030	250,000	615,775	-	-	865,775
2031	260,000	604,300	-	-	864,300
2032	270,000	592,375	-	-	862,375
2033	285,000	579,888	-	-	864,888
2034	295,000	566,838	-	-	861,838
2035	310,000	553,225	-	-	863,225
2036	325,000	538,125	-	-	863,125
2037	345,000	521,375	-	-	866,375
2038	360,000	503,750	-	-	863,750
2039	380,000	485,250	-	-	865,250
2040	400,000	465,750	-	-	865,750
2041	420,000	445,250	-	-	865,250
2042	440,000	423,750	-	-	863,750
2043	465,000	401,125	-	-	866,125
2044	485,000	377,375	-	-	862,375
2045	510,000	352,500	-	-	862,500
2046	535,000	326,375	-	-	861,375
2047	565,000	298,875	-	-	863,875
2048	595,000	269,875	-	-	864,875
2049	625,000	239,375	-	-	864,375
2050	655,000	207,375	-	-	862,375
2051	690,000	173,750	-	-	863,750
2052	725,000	138,375	-	-	863,375
2053	760,000	101,250	-	-	861,250
2054	800,000	62,250	-	-	862,250
2055	845,000	21,125	-	-	866,125
	$ 13,270,000	$ 11,775,938	$ 8,728	$ 181	$ 25,054,847

Note G – Risk Management and Employee Benefits

The Academy 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 Academy has purchased commercial insurance for property loss, errors and omissions, workers' compensation, health benefits, and dental and vision 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.

There were no significant reductions in insurance coverage in fiscal 2025-26, and as of the year ended June 30, 2026, there were no material pending claims against the Academy.

Note H – New Accounting Pronouncement

The Academy adopted GASB Statement No. 103, Financial Reporting Model Improvements, during the fiscal year ended June 30, 2026. This statement modifies certain requirements related to management's discussion and analysis, unusual or infrequent items, proprietary fund reporting, budgetary comparison information, and other financial reporting presentations. The implementation of this statement resulted in changes to financial statement presentation and disclosures but had no effect on the Academy's net position.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

HURON ACADEMY
June 30, 2026

	Budgeted Amounts		Variance -- Original to Final Budgeted	Actual Amounts	Variance -- Final Budgeted to Actual Amounts
	Original	Final			
Revenues					
Local sources	$ 220,000	$ 462,000	$ 242,000	$ 493,302	$ 31,302
State sources	7,304,520	8,645,434	1,340,914	8,598,138	(47,296)
Federal sources	366,310	377,633	11,323	364,125	(13,508)
Interdistrict sources	433,000	451,500	18,500	455,839	4,339
Total Revenues	8,323,830	9,936,567	1,612,737	9,911,404	(25,163)
Expenditures					
Current:					
Instruction:					
Basic programs	3,571,747	3,852,455	280,708	3,612,398	240,057
Added needs	1,251,494	1,263,932	12,438	1,344,133	(80,201)
Supporting services:					
Pupil services	164,084	223,774	59,690	213,161	10,613
Instructional staff services	103,797	67,099	(36,698)	63,585	3,514
General administrative services	897,184	960,478	63,294	976,596	(16,118)
School administrative services	663,083	808,375	145,292	827,362	(18,987)
Business services	1,300	1,400	100	1,584	(184)
Operation and maintenance services	451,527	644,679	193,152	723,808	(79,129)
Pupil transportation services	450	30,452	30,002	40,391	(9,939)
Central services	40,000	250,831	210,831	213,110	37,721
Other support services	23,786	30,000	6,214	14,046	15,954
Community services	217,750	229,468	11,718	239,742	(10,274)
Interdistrict	1,500	10,000	8,500	9,392	608
Debt Service:					
Principal payment	-	-	-	24,608	(24,608)
Interest and fiscal charges	-	-	-	722	(722)
Total Expenditures	7,387,702	8,372,943	985,241	8,304,638	68,305
Excess (Deficiency) of Revenues Over Expenditures	936,128	1,563,624	627,496	1,606,766	(93,468)
Other Financing Sources (Uses)					
Transfers Out	(971,092)	(1,616,623)	(645,531)	(1,559,710)	(56,913)
Total Other Financing Sources (Uses)	(971,092)	(1,616,623)	(645,531)	(1,559,710)	(56,913)
Net Change in Fund Balances	936,128	1,563,624	627,496	47,056	1,516,568
Fund Balances, Beginning of Year	3,381,249	3,381,249	-	3,381,249	-
Fund Balances, End of Year	$ 4,317,377	$ 4,944,873	$ 627,496	$ 3,428,305	$ 1,516,568

See accompanying notes to budgetary comparison schedule.

Note A – Amendments to the Original Budget

The Academy's original General Fund budget is adopted prior to the start of the fiscal year and is subsequently amended as additional information becomes available and operating conditions change. Budget amendments are made throughout the year to reflect changes in enrollment, State and federal funding, grant activity, staffing levels, and other programmatic needs. The final amended budget as of June 30, 2026 reflects these revisions and provides a more current representation of the Academy's anticipated financial activity.

The following discussion summarizes the most significant changes between the original and final budget of the General Fund, and the factors that contributed to those revisions:

- Local source revenues increased by $242,000 due to higher interest earnings on bank/investment deposits along with unbudgeted local donations and miscellaneous pupil/school activities.

- Revenues from state sources increased by $1.34 million, primarily as the result of the per-pupil foundation allowance increase to $10,050, adjustments to state categorical aid including Section 31a At-Risk funding ($786,571), Special Education Headlee obligations ($130,352), Bilingual Education, and prior-year state aid adjustments.

- Basic program (instruction) expenditures increased by $280,708; attributed to additional teaching and instructional staff costs, salary adjustments, and the procurement of new curriculum materials (such as Math and ELA) to support student learning.

- Expenditures for school administrative services increased by $145,292 as a result of increased building administrative staffing, operational support costs, and office expenses associated with operating and consolidating the student population into a single unified facility.

- Expenditures budgeted for operation and maintenance service increased by $193,152; primarily due to higher facility operating costs, building repairs, custodial supplies, and utility/maintenance requirements related to campus improvements and the Utica Road facility.

- Expenditures for central services increased by $210,831 because of expanded technology infrastructure, technology contracts and software licenses, and district-wide administrative and communication support services.

Note B – Budget to Actual Variances

The Academy compares actual financial results to the final amended budget as of June 30 to evaluate how closely operations aligned with budgetary expectations. Variances between final budgeted and actual amounts may result from differences in the timing of revenues and expenditures, unanticipated operating conditions, changes in program activity, the receipt and use of grant funding, and other factors.

The following discussion highlights the most significant differences between the final amended budget and actual results for the fiscal year.

- Expenditures for added needs (instruction) were over budget by $80,201 (6.4%); attributed to higher-than-anticipated special education and academic intervention services required to meet individualized student instructional needs.

- Operation and maintenance services expenditures exceeded the final budget by $79,129 (12.3%); the result of unexpected site maintenance, facility repair expenses, and transition costs associated with the Utica Road building project.

- Expenditures for pupil transportation services exceeded the final budget by $9.939 (32.6%); primarily due to additional contracted student transportation routes and field trip transportation expenses during the school year.

Other budget-to-actual variances in the General Fund were generally consistent with normal operational fluctuations and did not have a significant impact on the Academy's financial results.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
NONMAJOR GOVERMENTAL FUNDS

HURON ACADEMY
June 30, 2026

	Special Revenue		
	Food Service	Student/School Activity	Total
Assets			
Cash equivalents	$ -	$ 87,199	$ 87,199
Liabilities and Fund Balances			
Liabilities			
Due to other funds	-	20,039	20,039
Fund Balances			
Restricted	-	67,160	67,160
Unassigned	-	-	-
Total Fund Balances	-	67,160	67,160
Total Liabilities and Fund Balances	$ -	$ 87,199	$ 87,199

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

HURON ACADEMY
For the year ended June 30, 2026

	Special Revenue		
	Food Service	Student/School Activity	Total
Revenues			
Local sources:			
Other local sources	$ -	$ 94,813	$ 94,813
State sources	2,645	-	2,645
Federal sources	468,337	-	468,337
Total Revenues	470,982	94,813	565,795
Expenditures			
Current:			
Supporting services	-	85,117	85,117
Food service	548,784	-	548,784
Total Expenditures	548,784	85,117	633,901
Excess (Deficiency) of Revenues Over Expenditures	(77,802)	9,696	(68,106)
Other Financing Sources (Uses)			
Transfers in	77,802	-	77,802
Net Change in Fund Balances	-	9,696	9,696
Fund Balances, Beginning of Year	-	57,464	57,464
Fund Balances, End of Year	$ -	$ 67,160	$ 67,160

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – FOOD SERVICE SPECIAL REVENUE FUND

HURON ACADEMY
For the year ended June 30, 2026

	Budget	Actual	Variance
Revenues			
State sources	$ 7,615	$ 2,645	$ (4,970)
Federal sources	436,825	468,337	31,512
Total Revenues	444,440	470,982	26,542
Expenditures			
Current:			
Food service	482,440	548,784	(66,344)
Excess (Deficiency) of Revenues Over Expenditures	(38,000)	(77,802)	39,802
Other Financing Sources (Uses)			
Transfers In	38,000	77,802	39,802
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – STUDENT/SCHOOL ACTIVITY SPECIAL REVENUE FUND

HURON ACADEMY
For the year ended June 30, 2026

	Budget	Actual	Variance
Revenues			
Local sources	$ 75,000	$ 94,813	$ 19,813
Expenditures			
Current:			
Other student/school activities	75,000	85,117	(10,117)
Net Change in Fund Balance	-	9,696	9,696
Fund Balance, Beginning of Year	57,464	57,464	-
Fund Balance, End of Year	$ 57,464	$ 67,160	$ 9,696

INTERNAL CONTROL AND COMPLIANCE

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HUNGERFORD
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

October 27, 2026

The Board of Directors
Huron Academy
Macomb County, Michigan

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Huron Academy (the "Academy"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated October 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy'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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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

Hungerford

Certified Public Accountants
Grand Rapids, Michigan