WEXFORD JOINT PLANNING COMMISSION

WEXFORD COUNTY, CADILLAC, MICHIGAN

JUNE 30, 2026

WEXFORD JOINT PLANNING COMMISSION
WEXFORD COUNTY, CADILLAC, MICHIGAN

JUNE 30, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Commission Board
Wexford Joint Planning Commission
Wexford County
Cadillac, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Wexford Joint Planning Commission, Wexford County, Cadillac, Michigan as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Planning Commission'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 and the major fund of the Wexford Joint Planning Commission as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 Wexford Joint Planning Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note IV to the financial statements, the Planning Commission adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wexford Joint Planning Commission'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Wexford Joint Planning Commission'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 judgement, there are conditions or events considered in the aggregate, that raise substantial doubt about Wexford Joint Planning Commission'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 budgetary comparison information on pages 4-9 and 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to

our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2026, on our consideration of Wexford Joint Planning Commission, Michigan'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 Wexford Joint Planning Commission, Michigan'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 Wexford Joint Planning Commission, Michigan's internal control over financial reporting and compliance.

Cadillac, Michigan
October 9, 2026

WEXFORD JOINT PLANNING COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2026

As management of the Wexford Joint Planning Commission ("the Planning Commission"), we offer readers of the Planning Commission's financial statements this narrative overview and analysis of the financial activities of the Planning Commission for the fiscal year ended June 30, 2026. This management's discussion and analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the Planning Commission's financial activity. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole, which can be found in this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

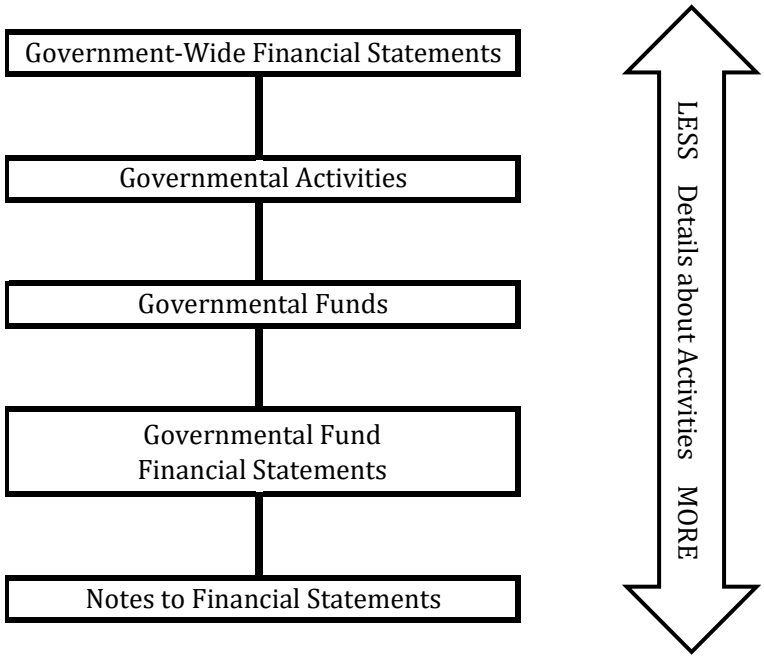
The Planning Commission's financial report contains basic financial statements. Those financial statements present the Township's finances at both an overall and a detailed level. The first two - the *government-wide financial statements* - cover the Township's governmental activities. (See the diagram in Figure A-1.)

- *Governmental activities* comprise the Planning Commission's most basic function, which is Community and Economic Development – specifically planning and zoning. Governmental activities primarily are financed by contributions from local units of government and licenses and permits. These statements provide both short-term and long-term information.

The remaining basic financial statements present the Planning Commission's finances in greater detail. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The Planning Commission reports one group of funds:

- *Governmental fund financial statements* report all of the governmental activities.

Figure A-1. Contents of the Planning Commission's Basic Financial Statements



The next section of this financial report contains *notes to financial statements*, which delve deeper into the Planning Commission's finances as reported in the financial statements. The information in the notes is as important to understanding the Planning Commission's finances as the information in the financial statements. The Planning Commission uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

All of the Planning Commission's financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. (See Figure A-2.) In other words, they comprehensively report all types of financial statement elements:

- *Assets* - resources the Planning Commission controls, from short-term assets like cash and cash equivalents to long-term assets like buildings and transportation equipment.

- *Liabilities* - amounts the Planning Commission owes, from short-term liabilities such as salaries and related items to long-term liabilities such as outstanding debt and pension obligations.

- *Deferred outflows of resources and deferred inflows of resources* - flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.

- *Revenues and expenses* - inflows and outflows of economic resources, respectively, related to the current year.

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

Figure A-2. Types of Information Reported in the Planning Commission's Financial Statements

	Financial Statements	
	Government-wide	Governmental Funds
Types of assets and liabilities	* All assets and liabilities, both financial and nonfinancial, short-term and long-term	* Only current financial resources, such as cash, receivables, and accounts payable
Types of revenues/ additions	* All types of revenues/additions that flow into the Planning Commission during the year that relate to that year, regardless of when cash is received	* Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/ deductions/ expenditures	* All types of expenses/deductions that flow out of the Planning Commission during the year that relate to that year, regardless of when cash is paid	* Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	* All types of resources that flow into and out of the Planning Commission during the year that relate to a future year	* Current financial resources that flow into and out of the governmental funds during the year that related to a future year

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

ANALYSIS OF THE PLANNING COMMISSION'S FINANCES

Wexford Joint Planning Commission
Net Position
As of June 30,

	2026	2025	Dollar Change	Total Percentage Change
Assets				
Current Assets	$ 125,054	$ 134,465	$ (9,411)	-7.0%
Non Current Assets				
Capital Assets	7,813	7,813	0	0.0%
Less: Accumulated Depreciation	(3,559)	(2,040)	(1,519)	74.5%
Total Non Current Assets	4,254	5,773	(1,519)	-26.3%
Total Assets	129,308	140,238	(10,930)	-7.8%
Liabilities				
Current Liabilities	2,998	15,873	(12,875)	-81.1%
Net Position				
Net Investment in Capital Assets	4,254	5,773	(1,519)	-26.3%
Unrestricted	122,056	118,592	3,464	2.9%
Total Net Position	$ 126,310	$ 124,365	$ 1,945	1.6%

The above table shows that as of June 30, 2026, the Planning Commission's total net position - assets and deferred outflows minus liabilities and deferred inflows - was $126,310, an increase of $1,945 or 1.6% compared with 2025. This increase is primarily due to a $3,464 or 2.9% increase in unrestricted net position. All of the increase in net position was the result of the financial performance of the governmental activities. The following sections of MD&A analyze the finances of the governmental activities.

GOVERNMENTAL ACTIVITIES

The table below shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position. The total net position of the Planning Commission's governmental activities was $126,310, an increase of $1,945 or 1.6% from 2025. Various events contributed to this increase in net position; however, the primary factors affecting the change in net position are as follows:

1. Investment Earnings

Wexford Joint Planning Commission
Change in Net Position
As of June 30,

	2026	2025	Dollar Change	Total Percentage Change
Revenues				
Program Revenues				
Charges for Services	$ 15,730	$ 16,942	$ (1,212)	-7.2%
Operating Grants and Contributions	57,400	50,000	7,400	14.8%
General Revenues				
State Grants	0	12,612	(12,612)	-100.0%
Investment Earnings	1,465	2,387	(922)	-38.6%
Other	957	0	957	100.0%
Total Revenues	75,552	81,941	(6,389)	-7.8%
Expenses				
Community and Economic Development	73,607	79,457	(5,850)	-7.4%
Change in Net Position	1,945	2,484	(539)	-21.7%
NET POSITION - Beginning of Year	124,365	121,881	2,484	2.0%
NET POSITION - End of Year	$ 126,310	$ 124,365	$ 1,945	1.6%

Investment Earnings

The Planning Commission earned nearly $1,465 in earnings on its investments which contributed to the increase in net position for the year.

GOVERNMENTAL FUNDS

The Planning Commission reports one major fund individually in the governmental fund financial statements. This fund is the General Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of this governmental fund. However, certain factors that are relevant to the Planning Commission's current financial health are more apparent in the fund financial statements than in the government-wide statements. The changes are shown in the table below and are discussed in more detail following the table.

	2026	2025	Increase (Decrease)
Major Fund			
General Fund	$ 122,056	$ 118,592	$ 3,464

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

General Fund

The General Fund is the main operating fund of the Planning Commission. The General Fund increased its fund balance in this fiscal year by $3,464, bringing the balance to $122,056. Of this amount, $12,955 is assigned for subsequent year budget shortfall, $13,500 is committed for fund balance reserve, $13,500 is committed for legal costs contingency, $5,130 is nonspendable, and $76,971 is unassigned. The increase to fund balance is primarily the result of the investment earnings not used to fund operations.

SIGNIFICANT CAPITAL ASSET

Capital Assets

The discussion thus far has only touched upon certain significant transactions and events during 2026 with respect to capital assets and long-term obligations. Overall, the carrying value of capital assets-original cost minus accumulated depreciation - decreased 26.3% over 2025. See the table below for the carrying value of capital assets.

Wexford Joint Planning Commission's Capital Assets

	2026			2025	Change in	Total
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	Net Book Value	Percentage Change
Office Equipment	$ 7,813	$ 3,559	$ 4,254	$ 5,773	$ (1,519)	-26.3%

The reason for the decrease in net capital assets relates to depreciation expense.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The Planning Commission is expected to be supported by the local units (Townships) in the future.

The funding by the Townships for the 2026-2027 fiscal year to support the Planning Commission is expected to be similar to 2025-2026.

These factors were considered in preparing the Planning Commission's budgets for the 2026-2027 fiscal year.

CONTACTING THE PLANNING COMMISSION'S MANAGEMENT

The financial report is designed to provide our taxpayers, customers, investors and creditors with a general overview of the Planning Commission's finances and to demonstrate the Planning Commission's accountability for the money it receives. If you have any questions concerning this report or need any additional information, contact Wexford Joint Planning Commission at the Wexford County Building, 401 N. Lake Street, Cadillac, MI 49601.

WEXFORD JOINT PLANNING COMMISSION
WEXFORD COUNTY, CADILLAC, MICHIGAN

STATEMENT OF NET POSITION
JUNE 30, 2026

	GOVERNMENTAL ACTIVITIES
ASSETS	
CURRENT ASSETS	
Cash	$ 119,224
Accounts Receivable	700
Prepaid Expense	5,130
Total Current Assets	125,054
CAPITAL ASSETS (Net of Accumulated Depreciation)	
Assets Being Depreciated	4,254
TOTAL ASSETS	129,308
LIABILITIES	
Accounts Payable	2,998
NET POSITION	
Net Investment in Capital Assets	4,254
Unrestricted	122,056
TOTAL NET POSITION	$ 126,310

The accompanying notes are an integral part of the financial statements.

WEXFORD JOINT PLANNING COMMISSION
WEXFORD COUNTY, CADILLAC, MICHIGAN

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUES AND CHANGES IN NET POSITION: TOTALS
GOVERNMENTAL ACTIVITIES					
Community and Economic Development	$ 73,607	$ 15,730	$ 57,400	$ 0	$ (477)
GENERAL REVENUES					
Investment Earnings					1,465
Other					957
Total General Revenues					2,422
Change in Net Position					1,945
NET POSITION - Beginning of Year					124,365
NET POSITION - End of Year					$ 126,310

The accompanying notes are an integral part of the financial statements.

WEXFORD JOINT PLANNING COMMISSION
WEXFORD COUNTY, CADILLAC, MICHIGAN

GOVERNMENTAL FUND

BALANCE SHEET
JUNE 30, 2026

	GENERAL FUND
ASSETS	
Cash	$ 119,224
Accounts Receivable	700
Prepaid Expenditures	5,130
TOTAL ASSETS	$ 125,054
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	$ 2,998
FUND BALANCE	
Nonspendable - Prepaid Expenditures	5,130
Committed for Fund Balance Reserve	13,500
Committed for Legal Costs Contingency	13,500
Assigned for Subsequent Year Budget Shortfall	12,955
Unassigned	76,971
Total Fund Balance	122,056
TOTAL LIABILITIES AND FUND BALANCE	$ 125,054

The accompanying notes are an integral part of the financial statements.

WEXFORD JOINT PLANNING COMMISSION
WEXFORD COUNTY, CADILLAC, MICHIGAN

GOVERNMENTAL FUND

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total Fund Balance for Governmental Fund			$ 122,056
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 in the funds.			
Office Equipment	$ 7,813		
Accumulated Depreciation	(3,559)		4,254
NET POSITION OF GOVERNMENTAL ACTIVITIES			$ 126,310

The accompanying notes are an integral part of the financial statements.

WEXFORD JOINT PLANNING COMMISSION
WEXFORD COUNTY, CADILLAC, MICHIGAN

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2026

	GENERAL FUND
REVENUES	
Licenses and Permits	$ 15,730
Contributions from Local Units	57,400
Interest Income	1,465
Other Revenue	957
Total Revenues	75,552
EXPENDITURES	
Community and Economic Development	72,088
Net Change in Fund Balance	3,464
FUND BALANCE - Beginning of Year	118,592
FUND BALANCE - End of Year	$ 122,056

The accompanying notes are an integral part of the financial statements.

WEXFORD JOINT PLANNING COMMISSION
WEXFORD COUNTY, CADILLAC, MICHIGAN

GOVERNMENTAL FUND

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Net Change in Fund Balance - Total Governmental Fund	$	3,464
Amounts reported for governmental activities are different because:		
Governmental funds report capital outlays as expenditures. In the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation expense.		
Depreciation Expense		(1,519)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	1,945

The accompanying notes are an integral part of the financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report the information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. Wexford Joint Planning Commission does not have any *fiduciary activities*, *business-type activities* or *component units.*

B. Reporting Entity

Wexford Joint Planning Commission is a joint venture supported by Antioch, Boon, Cherry Grove, Hanover, Liberty, Selma, Slagle, South Branch, Springville, and Wexford Townships. The Planning Commission recognizes the funds received from the Townships as contributions from other local units.

Under the criteria established by accounting principles generally accepted in the United States of America, the Planning Commission has determined that there are no component units which should be included in its reporting entity.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Planning Commission reports only one fund as follows:

The *General Fund* is the primary operating fund of the Planning Commission. It is used to account for all financial resources of the Planning Commission.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The government-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 timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Contributions from local units and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue resource (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The Planning Commission's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The government considered all highly liquid investments (including certificates of deposit) to be cash equivalents.

2. Investments

The Planning Commission’s investment policy is in compliance with state law and authorizes the Planning Commission to invest in certificates of deposit, savings accounts, deposit accounts and money market funds. The Planning Commission does not have any investments other than interest bearing bank accounts, including certificates of deposit.

The investment policy adopted by the Planning Commission states that the Treasurer may invest in the following:

(a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of 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 purchase.

(b) Repurchase agreements consisting of instruments listed in subdivision (a).

(c) Bankers' acceptances of United States banks.

(d) Obligations of this state or any political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.

(e) Mutual funds registered under the investment company act of 1940, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of any of the following:

(i) The purchase of securities on a when issued or delayed delivery basis.

(ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.

(iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.

(f) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(g) Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, 129.11.

(h) The investment pools organized under the Local Government Investment Pool Act, Public Act 121 of 1985, MCL 129.141.

Some investments authorized by state law are shown as cash on the financial statements.

3. Inventories and Prepaid Items

Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase. There were no material inventories at year-end.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Receivables and Payables

All receivables are shown net of an allowance for uncollectibles. The Planning Commission's revenues are recognized when they become both measurable and available for use to finance Planning Commission

operations. Amounts which are not expected to be collected within sixty days are treated as unearned revenues.

5. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 (amount not rounded) and an estimated useful life in excess of one year plus all land and computers. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

ASSETS	YEARS
Buildings	40-60
Building Improvements	15-30
Vehicles	3-5
Office Equipment	3-5
Computer Equipment	3-5

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Planning Commission does not have any deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Planning Commission does not have any deferred inflows of resources.

7. Unearned Revenue

Unearned revenue arises when resources are received by the Planning Commission before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized. The Planning Commission has no unearned revenue at June 30, 2026.

8. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund Balance Flow Assumption

Sometimes the government will 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 government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, 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.

10. 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 government 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 government's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) 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 board 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 only exist 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.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenue include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and

contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes and other internally dedicated resources are reported as general revenues rather than as program revenues.

II. DETAILED NOTES ON ALL FUNDS

A. Deposits

The Planning Commission's deposits and investments are all on deposit with Horizon Bank. Other than interest bearing bank accounts, the Planning Commission has no investments.

As of June 30, 2026, the Planning Commission had deposits subject to the following risk:

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Planning Commission does not have a deposit policy for custodial credit risk. As of June 30, 2026, none of the government's bank balance of $119,224 was exposed to custodial credit risk because it was insured and collateralized.

Although the Planning Commission's investment policy does not directly address custodial credit risk, it typically limits its exposure by controlling who holds Planning Commission's deposits.

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

Credit risk. State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSOs). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Concentration of credit risk. The Planning Commission will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Planning Commission'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.

Foreign currency risk. The Planning Commission is not authorized to invest in investments which have this type of risk; therefore, it is not addressed in the investment policy.

B. Capital Asset

Capital asset activity of the Planning Commission's governmental activities for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Being Depreciated				
Office Equipment	$ 7,813	$ 0	$ 0	$ 7,813
Less Accumulated Depreciation for:				
Office Equipment	2,040	1,519	0	3,559
Governmental Activities Capital Assets, Net	$ 5,773	$ (1,519)	$ 0	$ 4,254

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Community and Economic Development	$ 1,519

C. Risk Management

The Planning Commission is exposed to various risks of loss related to property loss, torts, errors and omissions.

The Planning Commission continues to carry commercial insurance for various risks of loss, including general liability, property and casualty. The Planning Commission has had no settled claims resulting from these risks that exceed its commercial coverage in any of the past three fiscal years.

III. OTHER INFORMATION

A. Contributions from Local Units

For the 2025 – 2026 fiscal year, the Wexford Joint Planning Commission received a total of $57,400 as follows: $3,591 from Antioch Township, $3,177 from Boon Township, $9,983 from Cherry Grove Township, $4,080 from Hanover Township, $10,742 from Liberty Township, $8,539 from Selma Township, $3,323 from Slagle Township, $3,770 from South Branch Township, $5,251 from Springville Township, and $4,944 from Wexford Township.

B. Due from Other Governments

There are no amounts due from other governments relating to the annual contributions.

C. Contingencies

Under the terms of various federal and state grants and regulatory requirements, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement of the grantor or regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the Planning Commission. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

D. Joint Venture

The Wexford Joint Planning Commission is an independent legal joint venture organized under a contractual arrangement with Antioch, Boon, Cherry Grove, Hanover, Liberty, Selma, Slagle, South Branch, Springville, and Wexford Townships. The Townships do not have an ongoing financial interest in the Planning Commission, but they do have an ongoing financial responsibility as the Wexford Joint Planning Commission's existence depends on the contributions from the Townships. Audited financial statements for the Townships can be obtained by contacting the respective treasurers of each Township.

IV. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2026, the Planning Commission implemented the following GASB standards:

GASB Statement No. 103, *Financial Reporting Model Improvements.* The Standard addressed the following areas:

a. Management's discussion and analysis (MD&A);

b. Unusual or infrequent items;

c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;

d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements should be presented after the fund financial statements;

e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

V. UPCOMING ACCOUNTING PRONOUNCEMENTS

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The Planning Commission is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026-2027 fiscal year.

WEXFORD JOINT PLANNING COMMISSION
WEXFORD COUNTY, CADILLAC, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2026

	GENERAL FUND				
	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE BETWEEN ORIGINAL AND FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES					
Licenses and Permits	$ 17,500	$ 17,500	$ 0	$ 15,730	$ (1,770)
Contributions from Local Units	50,000	50,000	0	57,400	7,400
Interest Income	0	0	0	1,465	1,465
Miscellaneous Income	0	0	0	957	957
Total Revenues	67,500	67,500	0	75,552	8,052
EXPENDITURES					
Community and Economic Development					
Planning and Zoning	99,162	99,162	0	72,088	(27,074)
Net Change in Fund Balance	(31,662)	(31,662)	0	3,464	35,126
FUND BALANCE - Beginning of Year	118,591	118,591	0	118,592	1
FUND BALANCE - End of Year	$ 86,929	$ 86,929	$ 0	$ 122,056	$ 35,127

NOTE 1 - Budgetary Basis of Accounting

Prior to July 1, the Planning and Zoning Administrator submits to the Planning Commission Board a proposed operating budget for all governmental funds for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.

The Planning Commission Board holds a public hearing and adopts a resolution approving the budgets.

All transfers of budget amounts between functions within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the Planning Commission Board. General Fund expenditures may not legally exceed budgeted appropriations at the major function level. Expenditures in all other governmental funds may not exceed appropriations at the total fund level.

Formal budgetary integration is employed as a management control device during the year for all governmental fund types.

Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). All appropriations lapse at year end. Budgeted amounts are as originally adopted, or as amended by the Planning Commission Board from time to time throughout the year.

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 not employed by the Planning Commission because it is not, at present, considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

NOTE 2 – Budgetary Comparison

Significant variances between the original budget and final budget

There were no variances between the original and final budgeted amounts.

Significant variances between final budget and actual

	Variance	Explanation
REVENUES		
Contributions from Local Units	$ 7,400	The variance is a result of the Planning Commission receiving an additional $7,400 contribution from a Township that was not budgeted for. This amount was due to a withdrawal fee paid by Liberty Township.
EXPENDITURES		
Community and Economic Development - Planning and Zoning	$ (27,074)	The actual cost ended up lower than the final budgeted amount due to the Planning Commission budgeting conservatively.