YALE PUBLIC SCHOOLS

REPORT ON FINANCIAL STATEMENTS
(with required supplementary and additional
supplementary information)

JUNE 30, 2024

TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	I - III
Management's Discussion and Analysis	IV - IX
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	3
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	6
Fiduciary Fund	
Statement of Fiduciary Assets and Liabilities	7
Statement of Changes in Fiduciary Net Position	8
Notes to the Financial Statements	9 – 35
Required Supplementary Information	
Budgetary Comparison Schedules: General Fund	36
Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability	37
Schedule of the Reporting Unit's Pension Contributions	38
Schedule of the Reporting Unit's Proportionate Share of the Net OPEB Liability	39
Schedule of the Reporting Unit's OPEB Contributions	40
Notes to Required Supplementary Information	41
Additional Supplementary Information	
Combining Statements – Nonmajor Governmental Funds:	
Combining Balance Sheet	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	43

TABLE OF CONTENTS (Continued)

	PAGE
Additional Supplementary Information (Continued)	
Special Revenue Funds	
Combining Balance Sheet	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	45
Debt Retirement Funds	
Combining Balance Sheet	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	47
Schedule 1 – Private Purpose Trusts – Statement of Revenue and Expenditures	48
Schedule 2 - Schedule of Bond Principal and Interest Requirements	49
Schedule of Expenditures of Federal Awards	50 – 51
Notes to Schedule of Expenditures of Federal Awards	52
Reconciliation of "Grant Auditor's Report" to the Schedule of Expenditures of Federal Awards	53
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based Upon an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	54 – 55
Independent Auditor's Report on Compliance for Each Major Federal Award Program and on Internal Control Over Compliance Required by the Uniform Guidance	56 – 58
Schedule of Findings and Questioned Costs	59
Schedule of Prior Year Audit Findings	59

Lewis & Knopf CPAs, PC

September 30, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Yale Public Schools

Report on 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 Yale Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District'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 Yale Public Schools, as of June 30, 2024, 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 Yale Public Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

During the 2023-2024 year, the District adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Correction*. 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 the Yale Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

5206 Gateway Centre | Suite 100 | Flint, MI 48507 | 810-238-4617 | 877-244-1787 | 810-238-5083 fax
10299 E Grand River Road | Suite M | Brighton, MI 48116 | 810-225-1808
1100 Torrey Road | Suite 400 | Fenton, MI 48430 | 810-629-1500
www.lewis-knopf.com

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 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 Yale Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Yale Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Yale Public Schools' basic financial statements. The accompanying combining and individual nonmajor fund financial statements, other schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, other schedules and the schedule of expenditures of federal awards 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 September 30, 2024, on our consideration of the Yale Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Yale Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Yale Public Schools' internal control over financial reporting and compliance.

Lewis & Knopf, P.C.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Lewis & Knopf CPAs, PC

As administration of Yale Public Schools, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

Financial Highlights

* The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by $3,642,633 (net position).

* The District's total net position increased by $5,661,075. The increase was due to pension and pension-related benefit changes to the liability calculated by the State of Michigan.

* The general fund had a decrease in fund balance of $67,811. At the end of the year, unassigned fund balance for the general fund was $3,575,013 or 14%, of total general fund expenditures. Total fund balance for the general fund was $6,059,289, or 25%, of total general fund expenditures.

Overview of the District for the Fiscal Year

Throughout Fiscal Year 2024, the State has awarded several grants aimed at improving student achievement. These grants, coupled with unspent funds from prior years, have enabled the district to provide academic support before, after and during the school day. Additionally, safety grants administered by the Michigan State Police and the State of Michigan have been used to provide more secure facilities through additional cameras and secure door access.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District financially as a whole. The District-Wide Financial Statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The financial statements then proceed to provide an increasingly detailed look at specific financial activities included in the fund financial statements. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements provide information about the School District's most significant funds - the General Fund and 2022 Building and Site Fund. All other funds are presented in one column as non-major funds.

MAJOR FEATURES OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

		Fund Financial Statements	
	District-Wide Statements	**Governmental Funds**	**Fiduciary Funds (if any)**
Scope	Entire District (except Fiduciary Funds)	The activities of the District that are not proprietary or fiduciary such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as certain student activities monies
Required Financial Statements	* Statement of Net Position * Statement of Activities (Pages 1 and 2)	* Balance Sheet * Statement of Revenues, Expenditures and Changes in Fund Balances (Pages 3 and 5)	* Statement of Fiduciary Net Position * Statement of Changes in Fiduciary Net Position (Pages 7 and 8)
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/ Liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term, The District's funds do not currently contain capital assets, although they can
Type of Inflow/ Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received	All additions and deductions during year, regardless of when cash is received or paid

Fund Financial Statements

The fund financial statements are reported on a modified accrual basis and consist of governmental funds. Governmental funds include most of the District's basic services 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 on future District programs.

Fiduciary funds are for assets that belong to others, such as certain student activities funds where the District is the trustee or fiduciary. The District cannot use these assets to finance its operations but it is responsible to ensure that these funds are used for their intended purposes. Only measurable and currently available funds are reported. Liabilities to beneficiaries are recognized when an event has occurred that compels the District to disburse fiduciary resources. Some of these funds are established by State law and by bond covenants while others can be established for the District to control and manage money for a particular purpose such as school lunch and athletics.

SUMMARY OF NET POSITION:

NET POSITION SUMMARY	2024	2023
ASSETS		
Other Assets	$20,434,554	$27,499,373
Net Other Postemployment Benefits Asset	612,591	0
Capital Assets	30,818,808	23,507,748
TOTAL ASSETS	$51,865,953	$51,007,121
DEFERRED OUTFLOWS OF RESOURCES	12,721,074	15,878,561
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$64,587,027	$66,885,682
LIABILITIES		
Other Liabilities	39,610,140	48,071,457
Long-Term Liabilities	17,802,717	19,655,865
Total Liabilities	$57,412,857	$67,727,322
DEFERRED INFLOWS OF RESOURCES	10,816,803	8,462,068
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$68,229,660	$76,189,390
NET POSITION		
Net Investment in Capital Assets	17,497,758	15,951,503
Restricted	5,082,486	3,434,303
Unrestricted	(26,222,877)	(28,689,514)
TOTAL NET POSITION	($3,642,633)	($9,303,708)

The above analysis focuses on the net position. The change in net position of the School District's governmental activities is discussed below. The net position differs from fund balances and a reconciliation appears on page 4.

The District's net position reflects its investment in capital assets, and capital projects (i.e. land, buildings, vehicles, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, $5,082,486, represents resources that are subject to external restrictions on how they may be used. In the case of the School District, these amounts are restricted for debt service, and capital projects. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due.

The results of this year's operations for the School District as a whole are reported in the statement of activities (see table above), which shows the changes in net position for fiscal year 2024.

RESULTS OF OPERATIONS:
For the fiscal years ended June 30, 2024 and 2023, the District wide results of operations were:

	2024	2023
REVENUES		
Program Revenues		
Charges for Services	$1,294,071	$1,357,509
Operating Grants	8,583,584	9,166,756
Total Program Revenues	$9,877,655	$10,524,265
General Revenues:		
Property Taxes	5,079,379	5,830,295
State Sources - Unrestricted	13,909,903	12,192,711
Interdistrict Sources	840,301	855,031
Other General Revenues	675,464	144,496
Total General Revenues	$20,505,047	$19,022,533
Total Revenues	$30,382,702	$29,546,798
EXPENSES		
Instruction & Instructional Support	12,077,754	13,636,428
Support Services	8,860,574	8,342,409
Community Services/Latchkey	235,767	361,042
Food Service	1,096,423	954,913
Student Activities	796,325	712,816
Interest on Long-Term Debt	475,014	544,032
Depreciation	1,179,770	1,118,720
Total Expenses	$24,721,627	$25,670,360
CHANGE IN NET POSITION	$5,661,075	$3,876,438

The District's net position increased by $5,661,075 during the current fiscal year. The increase in net position differs from the change in fund balances and a reconciliation appears on page 6.

The net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted State aid constitute the vast majority of the School District's operating revenue sources, the Board of Education and Administration must annually evaluate the needs of the School District and balance those needs with State-prescribed available unrestricted resources.

Student Enrollment
Student enrollment decreased from 1,753 in 2022-23 to 1,739 in 2023-24.

General Fund Budgeting and Operating Highlights

The School District's budgets are prepared according to Michigan law. The most significant budgeted funds are the General Fund and Debt Retirement Fund.

State law requires that the budget be amended to ensure that expenditures do not exceed appropriation. A schedule showing the School District's general fund original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

The general fund actual revenue and other financing sources was $24,593,345. That amount is more than the final budget estimate of $23,279,400. The variance was $1,313,945 or 6%. The variance was primarily due to one local taxing entity adjusting the taxable value of property during the tax season but not adjusting the State's TV website until late into the district's fiscal year. This change caused a sizeable increase in State Aid in July 2024.

The actual expenditures and other financing uses of the general fund were $24,661,156, which is below the final budget estimate of $25,409,100. The variance was $747,944 or 3%. The variance was mostly due to underspending instructional grants, facility operating budgets and transportation budgets at year end.

The general fund had total revenues of $24,593,345 and total expenditures of $24,661,156 with a net decrease in fund balance of $67,811 and an ending fund balance of $6,059,289.

Capital Asset and Debt Administration

A. Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2024 amounted to $30,818,808 (net of accumulated depreciation/amortization). This investment in capital assets included land; buildings and improvements; machinery and equipment, and licensed vehicles. Capital assets at fiscal year-end included the following:

	Capital Assets (Net of Depreciation)	
	2024	2023
Construction in Progress	$12,245,081	$4,442,643
Land	519,650	519,650
Buildings and Improvements	16,232,479	16,707,574
Equipment and Furniture	981,010	1,073,564
Vehicles	840,588	764,317
Total capital assets, net	$30,818,808	$23,507,748

Additional information on the District's capital assets can be found in Note 4.

Capital Asset and Debt Administration (Continued)

B. Long-Term Debt

At the end of the current fiscal year, the District had total long-term debt outstanding of $17,802,717. Long-term debt at fiscal year-end included the following:

	Long-Term Debt	
	2024	2023
General Obligation Bonds	$17,477,546	$19,322,058
Compensated Absences	325,171	333,807
Total Long-Term Debt	$17,802,717	$19,655,865

The District's total bonded debt decreased by $1,625,000 during the current fiscal year due to the District making scheduled debt payments. Additional information on the District's long-term debt can be found in Note 6.

Economic Factors and Next Year's Budget

The following factors will affect the District in the future and were considered in preparing the District's budget for the 2024-25 fiscal year:

* Foundation Allowance

The Board of Education and Administration agreed to an estimate of a foundation allowance of $ 9,808, based on information received from various educational organizations such as Michigan School Business Officials, Michigan Association of School Administrators, and the Michigan Association of School Boards as well as discussions with local state representatives. The district adopted a budget using a blended rate of 1,739 – 39 FTE down from the prior year. One-time pandemic-related grants were removed from the budget and grants received but not spent in FY24 were added back. The State of Michigan had not enacted the State Aid budget for 2024-2025 by the time the district was required to adopt its budget for the year.

* Retirement Rate

The continuing cost of health insurance to current and potential retirees continues to drive the rate increase the Michigan School Employees Retirement System recommends to the legislature for approval. In the original 2024-2025 budget, no increase for the basic MPSERS rates have been included in the budget. The majority of district payroll costs will be charged at the same rate effective October 1, 2024. Additionally, the District will be required to pay an estimated 17% for all wages earned October 1, 2024 and later, for the Unfunded Actuarial Accrued Liability (UAAL). Although significant discussion in the legislature indicates there may be some reductions for pension rates in FY25, until they come to fruition, the district maintains rates from fiscal year 23-24.

* The Yale Public Schools' 2024/2025 adopted budget is as follows:

REVENUE	$22,362,400
EXPENDITURES	24,841,600
NET (UNDER) BUDGET	($2,479,200)

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances. If you have questions about this report or need additional information, contact the Business Office, Yale Public Schools.

BASIC FINANCIAL STATEMENTS

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$11,347,367
Investments	4,566,220
Receivables:	
Accounts Receivable	3,677
Due from Fiduciary Funds	4,899
Due from Other Governmental Units	4,487,934
Inventory	15,234
Prepaid Expenditures	9,223
Net Other Postemployment Benefits Asse	612,591
Construction in Progress, Not Being Depreciated	12,245,081
Capital Assets, Not Being Depreciated - Land	519,650
Capital Assets, Net of Accumulated Depreciation/Amortization	18,054,077
Total Assets	$51,865,953
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	94,116
Related to Pensions	10,228,990
Related to Postemployment Benefits	2,397,968
Total Deferred Outflows of Resources	$12,721,074
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$64,587,027
LIABILITIES	
Accounts Payable	97,776
Arbitrage Payable	590,000
Due to Other Governmental Units	384,557
Salaries Payable	1,185,849
Accrued Expenditures	899,814
Unearned Revenue	1,333,250
Non-Current Liabilities - Due Within One Year	1,914,512
Non-Current Liabilities - Due in More than One Year	15,888,205
Net Pension Liability	35,118,894
Total Liabilities	$57,412,857
DEFERRED INFLOWS OF RESOURCES	
Related to State Aid Funding for Pension and Other Postemployment Benefit	2,114,114
Related to Pensions	3,730,293
Related to Other Postemployment Benefit	4,972,396
Total Deferred Inflows of Resources	$10,816,803
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$68,229,660
NET POSITION	
Net Investment in Capital Assets	17,497,758
Restricted	5,082,486
Unrestricted	(26,222,877)
TOTAL NET POSITION	($3,642,633)

See notes to the financial statements

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges For Services	Program Revenues: Program Specific Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Change in Net Position
Governmental Activities:				
Instruction	$12,077,754	$0	$7,175,267	($4,902,487)
Support Services	8,860,574	89,085	0	(8,771,489)
Community Services/Latchkey	235,767	241,063	0	5,296
Food Service	1,096,423	88,517	1,408,317	400,411
Student Activities	796,325	875,406	0	79,081
Interest - Long-Term Obligations	475,014	0	0	(475,014)
Depreciation/Amortization - Unallocated	1,179,770	0	0	(1,179,770)
Total Governmental Activities	$24,721,627	$1,294,071	$8,583,584	($14,843,972)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				2,309,447
Property Taxes, Levied for Debt Retirement				520,320
Property Taxes, Levied for Capital Projects				2,249,612
State Sources - Unrestricted				13,909,903
Interdistrict Sources				840,301
Investment Earnings				467,083
Other				208,381
Total General Revenues				$20,505,047
Change in Net Position				$5,661,075
Net Position - Beginning of Year				(9,303,708)
NET POSITION - END OF YEAR				($3,642,633)

See notes to the financial statements.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	2022 Building & Site Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$5,438,831	$189,008	$5,719,528	$11,347,367
Investments	88,549	4,463,372	14,299	4,566,220
Receivables:				
Accounts Receivable	3,677	0	0	3,677
Due from Other Funds	69,479	0	254,899	324,378
Due from Other Governmental Units	4,476,780	0	11,154	4,487,934
Inventory	0	0	15,234	15,234
Prepaid Expenditures	9,223	0	0	9,223
TOTAL ASSETS	$10,086,539	$4,652,380	$6,015,114	$20,754,033
LIABILITIES				
Accounts Payable	$76,900	$0	$20,876	$97,776
Arbitrage Payable	0	590,000	0	590,000
Due to Other Funds	250,000	0	69,479	319,479
Due to Other Governmental Units	384,557	0	0	384,557
Salaries Payable	1,185,849	0	0	1,185,849
Accrued Expenditures	796,694	0	0	796,694
Unearned Revenue	1,333,250	0	0	1,333,250
Total Liabilities	$4,027,250	$590,000	$90,355	$4,707,605
FUND BALANCE				
Non-Spendable				
Inventory	0	0	15,234	15,234
Prepaid Expenditures	9,223	0	0	9,223
Restricted				
Food Service	0	0	1,347,164	1,347,164
Debt Retirement	0	0	628,280	628,280
Capital Projects	0	4,062,380	2,778,062	6,840,442
Committed				
Student Activities	0	0	780,936	780,936
Assigned				
Subsequent Year Expenditures	2,479,200	0	0	2,479,200
Latchkey	0	0	375,083	375,083
Unassigned	3,570,866	0	0	3,570,866
Total Fund Balance	$6,059,289	$4,062,380	$5,924,759	$16,046,428
TOTAL LIABILITIES AND FUND BALANCE	$10,086,539	$4,652,380	$6,015,114	$20,754,033

See notes to the financial statements.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

Total Governmental Fund Balances:		$16,046,428
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred Charges - Refunding Loss		94,116
Deferred Outflows of Resources - Related to Pensions		10,228,990
Deferred Outflows of Resources - Related to Postemployment Benefits		2,397,968
Deferred Inflows Related to State Aid Funding for Pension & Other Postemployment Benefits		(2,114,114)
Deferred Inflows of Resources - Related to Pensions		(3,730,293)
Deferred Inflows of Resources - Related to Other Postemployment Benefits		(4,972,396)
Some assets are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Noncurrent asset at year end consist of		
Net Other Postemployment Benefits Assets		612,591
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in Progress	$12,245,081	
Capital Assets	42,224,346	
Less: Accumulated Depreciation/Amortization	(23,650,619)	
Capital Assets, Net of Accumulated Depreciation/Amortization		30,818,808
Accrued Interest on Long-Term Debt		(103,120)
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:		
General Obligation Bonds	$17,477,546	
Compensated Absences	325,171	
Total Long-Term Liabilities		(17,802,717)
Net Pension Liability		(35,118,894)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		($3,642,633)

See notes to the financial statements.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	2022 Building & Site Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Local Sources	$2,599,374	$398,137	$4,051,403	$7,048,914
State Sources	20,019,872	0	399,862	20,419,734
Federal Sources	1,065,298	0	1,008,455	2,073,753
Interdistrict Sources	840,301	0	0	840,301
Total Revenues	$24,524,845	$398,137	$5,459,720	$30,382,702
EXPENDITURES				
Instruction	14,077,441	0	0	14,077,441
Student Services	1,561,754	0	0	1,561,754
Instructional Support	907,246	0	0	907,246
General Administration	405,116	0	0	405,116
School Administration	1,736,024	0	0	1,736,024
Business Administration	443,641	0	0	443,641
Operation & Maintenance of Plant	2,382,385	0	0	2,382,385
Transportation	1,295,314	0	0	1,295,314
Support Services - Other	1,504,614	0	0	1,504,614
Community Services	826	0	0	826
Outgoing Transfers and Other Uses	96,787	0	0	96,787
Food Service	0	0	1,116,525	1,116,525
Student Activities	0	0	796,325	796,325
Latch Key	0	0	280,171	280,171
Debt Retirement				
Principal	0	0	1,540,000	1,540,000
Interest	0	0	646,713	646,713
Other	0	0	10,385	10,385
Capital Outlay	0	7,975,183	224,698	8,199,881
Total Expenditures	$24,411,148	$7,975,183	$4,614,817	$37,001,148
Excess (Deficiency) of Revenues Over (Under) Expenditures	$113,697	($7,577,046)	$844,903	($6,618,446)
OTHER FINANCING SOURCES (USES)				
Transfers In	68,500	0	250,008	318,508
Transfers Out	(250,008)	0	(68,500)	(318,508)
Total Other Financing Sources (Uses)	($181,508)	$0	$181,508	$0
Net Change in Fund Balance	($67,811)	($7,577,046)	$1,026,411	($6,618,446)
FUND BALANCE - BEGINNING OF YEAR	6,127,100	11,639,426	4,898,348	22,664,874
FUND BALANCE - END OF YEAR	$6,059,289	$4,062,380	$5,924,759	$16,046,428

See notes to the financial statements.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Total net change in fund balances - governmental funds		($6,618,446)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Construction in Progress	$7,802,438	
Capital Outlay	688,392	
Depreciation/Amortization Expense	(1,179,770)	
Total		7,311,060
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position This is the amount of repayments reported as expenditures in the governmental funds.		1,625,000
Amortization of:		
Deferred Refunding		(32,271)
Bond Premium - Net of Bond Discounts		219,512
Change in accrued interest on long-term liabilities		6,630
Change in accrued compensated absences		8,636
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental Funds.		
State Aid Funding for Pension and Other Postemployment Benefits		820,976
Pension Related Items		256,083
OPEB Related Items		2,063,895
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$5,661,075

See notes to the financial statements.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2024

	Private Purpose Trusts
ASSETS	
Cash and Cash Equivalents	$490,902
TOTAL ASSETS	$490,902
LIABILITIES	
Due to Other Funds	$4,899
NET POSITION - RESTRICTED FOR TRUST ACTIVITIES	486,003
TOTAL LIABILITIES AND NET POSITION	$490,902

See notes to the financial statements.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2024

	Private Purpose Trusts
REVENUE	
Interest	$13,941
EXPENDITURES	
Scholarships	4,899
CHANGE IN NET POSITION	$9,042
NET POSITION - BEGINNING OF YEAR	476,961
NET POSITION - END OF YEAR	$486,003

See notes to the financial statements.

1) 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 information on all of the nonfiduciary activities of the District. All fiduciary activities are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

B) REPORTING ENTITY

The District is governed by an elected seven-member Board of Education. The accompanying basic financial statements have been prepared in accordance with criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are part of the District's reporting entity and which organizations are legally separate component units of the District. Based on application of the criteria, the District does not contain component units.

The District receives funding from local, state, federal and interdistrict government sources and must comply with the accompanying requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" body that has separate legal standing and is fiscally independent of the governmental entities. As such, the Board of Education has decision-making authority, the authority to levy taxes, and determine its budget, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

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. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D) BASIS OF PRESENTATION - FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the District's funds, including its fiduciary funds (if any). Separate statements for each fund category - governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School District reports the following major governmental fund:

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

Building and Site Capital Projects Funds - The Building and Site Capital Projects Funds are used to record bond proceeds or other revenue and the disbursement of funds specifically designated for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The *2022 Building and Site Fund* includes capital project activities funded with bonds. For this capital project, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. The fund is not yet considered substantially complete, and a subsequent year audit is expected.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) BASIS OF PRESENTATION - FUND FINANCIAL STATEMENTS (Continued)

Other Non-Major Funds:

Special Revenue Funds - Special revenue funds are used to segregate, for administrative purposes, the transactions of the School District's food service operations, student/school activities and latchkey from General Fund revenue and expenditure accounts. The School District maintains full control of these funds. Any deficits generated by these activities are the responsibility of the General Fund. The main sources of revenue for these funds are latchkey tuition, food sales to pupils, free/reduced breakfast and lunch reimbursement from federal funds and funds received from the State.

Debt Retirement Funds - The Debt Retirement Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Building and Site Capital Projects Funds - The Building and Site Capital Projects Funds are used to record bond proceeds or other revenue and the disbursement of funds specifically designated for acquiring new school sites, buildings, equipment, and for remodeling and repairs. For this capital project, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code.

Capital Projects Sinking Funds - The Capital Projects Sinking Fund accounts for the receipt of property taxes levied for sinking fund and subsequent expenditures of those funds. The fund has complied with the applicable provisions of Section 1212 of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2023-1.

Fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement. Fiduciary funds are not included in the government-wide statements.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in the fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

E) MEASUREMENT FOCUS, BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to the financial statements is determined by its 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, liabilities, revenues, and expenses. Such estimates are primarily related to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E) MEASUREMENT FOCUS, BASIS OF ACCOUNTING (Continued)

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fiduciary Fund Financial Statements (if any) are reported using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities to the beneficiaries of a fiduciary activity. Liabilities to beneficiaries are recognized when an event has occurred that compels the District to disburse fiduciary resources.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenue not meeting this definition is classified as a deferred inflow of resources. For this purpose, the School District considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state and federal aid, 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. 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).

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted state aid.

F) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with Michigan Compiled Laws, the District is authorized to invest in the following investment vehicles:

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

b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F) CASH AND CASH EQUIVALENTS (Continued)

c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.

d. The United States government or federal agency obligations repurchase agreements.

e. Bankers acceptances of United States banks.

f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

G) INVENTORIES AND PREPAID COSTS

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds, including commodities received from the United States Department of Agriculture, are recorded as expenditures when consumed rather than when purchased.

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

H) CAPITAL ASSETS

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) using a $5,000 capitalization threshold and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not. Interest incurred during the construction of capital assets is also capitalized.

Land and construction in progress, if any, are not depreciated. Right to use assets of the District (if any) are amortized using the straight-line method over the shorter of the lease period of the estimated useful lives. The other property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

	Governmental Activities
Description	Estimated Lives
Buildings and Improvements	20 – 50 years
Furniture and Equipment	7 – 20 years
Buses and Other Vehicles	10 – 15 years

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I) INTERFUND BALANCES

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

J) UNEARNED REVENUE

The District reports unearned revenue on its governmental funds balance sheet. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the District receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

K) COMPENSATED ABSENCES

The liability for compensated absences reported in the government-wide statements consists of earned but unused accumulated vacation, sick leave, and severance benefits. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts are included both for employees who are currently eligible to receive termination payments and for other employees who are expected to become eligible in the future to receive such payments upon termination.

L) LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

M) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred Outflows

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 asset that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. They are the deferred charge on refunding, pension and other postemployment benefits related items reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expensed in the plan year in which they apply.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net asset that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three items that qualifies for reporting in this category. The first is restricted state aid funding deferred to offset deferred outflows related to section 147c pension and other postemployment benefit contributions subsequent to the measurement period. The second and third items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary.

N) DEFINED BENEFIT PLAN

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

O) NET POSITION FLOW ASSUMPTION

Sometimes the District 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 District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

P) FUND BALANCE FLOW ASSUMPTION

Sometimes the District 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 District'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.

Q) FUND BALANCE POLICIES

Fund balances for each of the District's governmental funds are displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

* Nonspendable fund balance - amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q) FUND BALANCE POLICIES (Continued)

* Restricted fund balance - amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The District's Capital Projects Fund, Debt Service Fund, Food Service and Latchkey balances are considered restricted.

* Committed fund balance – amounts that have been formally set aside by specific purposes. Commitments are made and can be rescinded only via resolution of the Board of Education.

* Assigned fund balance - amounts the District intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The intent is expressed by the Board of Education.

* Unassigned fund balance - amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

In the general fund, the goal of the District shall be to maintain a minimum unassigned fund balance of no less than 5% of the preceding year's expenditures.

R) *LEASES AND SUBSCRIPTION BASED IT ARRANGEMENTS (SBITA)*

Lessee/subscriber: The District is a lessee for a noncancelable lease/subscription of an IT arrangement. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The District recognizes a lease/SBITA liability and an intangible right-to-use lease/SBITA asset in the government-wide financial statements.

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

Key estimates and judgements related to leases included how the District determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments.

* The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases/SBITA.

* The lease/SBITA term includes the noncancelable period of the lease/subscription. Lease/SBITA payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R) *LEASES AND SUBSCRIPTION BASED IT ARRANGEMENTS (SBITA)* (Continued)
Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term obligations on the statement of net position.

The District did not have any items to report as capital assets and lease liabilities as of June 30, 2024.

S) REVENUE
The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the current year ended, the foundation allowance was based on pupil membership counts.

The state portion of the Foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the Foundation is funded primarily by Non-PRE property taxes which may be levied at a rate of up to 18 mills as well as 6 mills for Commercial Personal Property Tax. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as due from other governmental units.

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are generally considered to be measurable and available only when cash is received by the District.

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The District levies its property taxes on December 1 and various municipalities collect its property taxes and remit them to the District through February. The delinquent real property taxes of the District are purchased by the County, and delinquent personal property taxes continue to be collected by the municipalities and recorded as revenue as they are collected. The county sells tax notes, the proceeds of which have been used to pay the District for these delinquent real property taxes. These delinquent real property taxes have been recorded as revenue in the current year.

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

U) MICHIGAN PUBLIC SCHOOL ACCOUNTING MANUAL
The accompanying financial statements have been prepared on a basis substantially consistent with the Michigan Public School Accounting Manual (Bulletin 1022), which outlines the accounting procedures and policies for school districts required by the Michigan State Board of Education.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V) BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue fund. The capital projects fund is appropriated on a project-length basis. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The District does not utilize encumbrance accounting.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.

4. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.

5. The budget was amended during the year with supplemental appropriations, the last one approved prior to year-end June 30, 2024. The District does not consider these amendments to be significant.

2) DEPOSITS AND INVESTMENTS

As of June 30, 2024 the District had deposits and investments 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 District's deposits may not be returned to it. As of June 30, 2024, $12,064,583 of the District's bank balance of $13,209,463 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was $11,842,416.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

2) DEPOSITS AND INVESTMENTS (Continued)

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

Concentration of credit risk. The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Investment Type	Fair value	Weighted Average Maturity (Years)	Standard & Poor's Rating	%
Milaf - Cash Management	$74,011	0.0027	AAAm	1.62%
Milaf - MIMAX	28,837	0.0027	AAAm	0.63%
Money Market	1,476,887	0.0027	AAAm	32.34%
Fixed Income Securities	59,777	0.0044	AA+	1.31%
Bonds - Short-Term Investments	2,926,708	0.0141	AA+	64.09%
TOTAL	$4,566,220			100.00%

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

Fair value measurement. The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

	As of June 30, 2024			
Investments by fair value level:	Level 1	Level 2	Level 3	Total
Fixed Income Securities	$ 59,777	$ 0	$ 0	$ 59,777
Bonds – Short-Term Investments	0	2,926,708	0	2,926,708
TOTAL	$ 59,777	$ 2,926,708	$ 0	$ 2,986,485

2) DEPOSITS AND INVESTMENTS (Continued)

The asset or liability's fair measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District voluntarily invests certain excess funds in external pooled investment funds which included money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF funds are considered external investment pools as defined by the GASB and as such are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures.

Investments in Entities that Calculate Net Asset Value per share

The District holds shares or interests in the UMB Bank investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

MILAF funds are considered external investment pools as defined by the GASB and as such are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures.

The above amounts are reported in the financial statements as follows:

Cash Private Purpose Trust	$ 490,902
Cash – District Wide	11,351,514
Investments – District Wide	4,566,220
TOTAL	$ 16,408,636

The above amounts as previously reported in Note 2:

Deposits – Including Fiduciary Funds of $490,902	$ 11,841,869
Petty Cash	547
Investments	4,566,220
TOTAL	$ 16,408,636

3) RECEIVABLES – DUE FROM OTHER GOVERNMENTAL UNITS

Receivables at June 30, 2024, consist of taxes, accounts (fees), intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables (due from other governmental units) follows:

GOVERNMENTAL ACTIVITIES	AMOUNT
State Aid	$ 4,278,029
Federal Grants	14,969
Other	194,936
TOTAL	$ 4,487,934

4) CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance Beginning	Additions	Deductions	Balance Ending
GOVERNMENTAL ACTIVITIES				
Non-Depreciable				
Land	$519,650	$0	$0	$519,650
Construction in Progress	4,442,643	7,975,184	172,746	12,245,081
Total Non-Depreciable	$4,962,293	$7,975,184	$172,746	$12,764,731
Buildings and Improvements	35,332,027	358,534	0	35,690,561
Buses and Other Vehicles	1,576,880	244,503	0	1,821,383
Furniture and Equipment	4,107,397	85,355	0	4,192,752
Totals at Historical Cost	$41,016,304	$688,392	$0	$41,704,696
Less: Accum. Depreciation/Amortization				
Buildings and Improvements	(18,624,453)	(833,629)	0	(19,458,082)
Buses and Other Vehicles	(812,563)	(168,232)	0	(980,795)
Furniture and Equipment	(3,033,833)	(177,909)	0	(3,211,742)
Total Accum. Depreciation/ Amortization	($22,470,849)	($1,179,770)	$0	($23,650,619)
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - NET	$23,507,748	$7,483,806	$172,746	$30,818,808

Depreciation/amortization expense was unallocated on the Statement of Activities as the District considers all fixed assets to have mixed use.

Net investment in capital assets consists of the following:

Construction in Progress	$ 12,245,081
Capital Assets	42,224,346
Less: Accumulated Depreciation/Amortization	(23,650,619)
Add: Deferred Charge on Refunding	94,116
Less: Related Long-Term Liabilities	(17,477,546)
Add: Unspent 2022 Capital Projects	4,062,380
NET INVESTMENT IN CAPITAL ASSETS	$ 17,497,758

5) SHORT-TERM DEBT

The District has various options for short-term financing including tax anticipation notes, state aid anticipation notes and lines of credit. The District entered into no short-term financing arrangements during the fiscal year ended June 30, 2024.

6) GENERAL LONG-TERM DEBT

The following is a summary of long-term obligations for the District for the year ended June 30, 2024:

Governmental Activities:	Balance Beginning	Additions	Deductions	Balance Ending	Amount Due in One Year
General Obligation Bonds	$19,322,058	$0	$1,844,512	$17,477,546	$1,914,512
Compensated Absences	333,807	0	8,636	325,171	0
Total Governmental Activities	$19,655,865	$0	$1,853,148	$17,802,717	$1,914,512

GENERAL OBLIGATIONS BONDS	
2012 School Improvement Bonds – Qualified Zone Academy Bonds - dated December 7, 2013, in the amount of $1,285,000 with interest at 4.1% per annum, matures in 2028.	$ 245,000
2015 Refunding Bonds – dated March 24, 2015, in the amount of $8,965,000 with interest rates at 2.7% per annum, matures in 2027.	2,290,000
2022 School Building Bonds - dated March 7, 2022, in the amount of $13,800,000 with an interest rate ranging from 2% - 5% per annum, matures in 2033.	12,935,000
Bond Issuance Discount	(15,969)
Bond Premium	2,023,515
TOTAL GENERAL OBLIGATION BONDS	$ 17,477,546
COMPENSATED ABSENCES	325,171
TOTAL GENERAL LONG-TERM OBLIGATIONS	$ 17,802,717

6) GENERAL LONG-TERM DEBT (Continued)

The annual requirements to amortize long-term obligations outstanding exclusive of employment benefit obligation payments as of June 30, 2024 are as follows:

	General Obligation Bonds		
	Principal	Interest	Total
June 30, 2025	$1,914,512	$618,720	$2,533,232
June 30, 2026	2,019,512	577,610	2,597,122
June 30, 2027	2,124,512	534,711	2,659,223
June 30, 2028	1,714,835	488,600	2,203,435
June 30, 2028	1,779,835	429,000	2,208,835
June 30, 2030 - 2033	7,924,340	897,250	8,821,590
TOTAL	$17,477,546	$3,545,891	$21,023,437

Interest expense (all funds) for the year ended June 30, 2024 was $658,502.

7) INTERFUND ACTIVITY

Interfund balances at June 30, 2024 consisted of the following:

		DUE FROM			
		General Fund	Student Activities	Capital Projects	Total
DUE TO	General Fund	$0	$0	$250,000	$250,000
	Food Service Fund	33,598	0	0	33,598
	Latchkey Fund	35,881	0	0	35,881
	Fiduciary Fund	0	4,899	0	4,899
	TOTAL	$69,479	$4,899	$250,000	$324,378

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting systems, and (3) payments between funds are made.

8) INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024, consisted of the following:

		TRANSFERS FROM			
		General Fund	Food Service	Latchkey	Total
TRANSFERS TO	General Fund	$0	$33,500	$35,000	$68,500
	Food Service	8	0	0	8
	Capital Projects	250,000	0	0	250,000
	TOTAL	$250,008	$33,500	$35,000	$318,508

8) INTERFUND TRANSFERS (Continued)
Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (2) move receipts restricted to debt service from the funds collecting the receipts to the fund servicing the debt as debt payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers were made from the food service fund to the general fund for indirect costs

9) TAX ABATEMENTS
The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by cities and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities. There were no property taxes abated.

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's section 22 funding of the State School Aid Act.

There are no significant abatements made by the District.

10) RESTRICTED NET POSITION
Restricted net position consists of the following:

Net Other Postemployment Benefits Asset	$612,591
Debt Retirement	628,280
Less: Accrued Interest - General Obligation Bonds	(103,120)
Food Service - Net of Pension & OPEB Obligation	1,166,673
Capital Projects and Sinking Capital Projects	2,778,062
TOTAL	$5,082,486

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description
The Michigan Public School Employees' Retirement System (MPSERS) (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the Board's authority to promulgate or amend the provisions of the System. MPSERS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.michigan.gov/orsschools.

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

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

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits Provided – Overall

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the plans offered by MPSERS is as follows:

Plan Name	Plan Type	Plan Status
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Closed
Pension Plus 2	Hybrid	Open
Defined Contribution	Defined Contribution	Open

Benefits Provided – Pension

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Retirement benefits for DB plan members are determined by final average compensation and years of service. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (MPSERS) who became a member of MPSERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010 and who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Pension Reform 2012 (Continued)
An amount determined by the member's election of Option 1, 2, 3, or 4 described below:

Option 1 - Members voluntarily elected to increase their contributions to the pension fund as noted below and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment.

* Basic plan members: 4% contribution

* Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

Option 2 - Members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

Option 3 - Members voluntarily elected not to increase their contribution to the pension fund and maintain their current level of contribution to the pension fund. The pension formula for their years of service as of the day before their transition date will include a 1.5% pension factor. The pension formula for any service thereafter will include a 1.25% pension factor.

Option 4 - Members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to the tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS to a 457 account. They vest in employer contributions and related earnings in their 401(k)-account based on the following schedule: 50% at 2 years, 75% at 3 years, and 100% at 4 years of service. They are 100% vested in any personal contributions and related earnings in their 457 account. Upon retirement, if they meet age and service requirements (including their total years of service), they would also receive a pension (calculated based on years of service and final average compensation as of the day before their transition date and a 1.5% pension factor).

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

Employees who first work on or after September 4, 2012 choose between two retirement plans: The Pension Plus Plan and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) - Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected Option 4, in which case the FAC is calculated at the transition date.

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus plan to newly hired employees as of February 1, 2018 and created a new, optional Pension Plus 2 plan with similar plan benefit calculations but containing a 50/50 cost share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 plan will close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law included other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

Benefits Provided - Other Postemployment Benefit (OPEB)

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree health care recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members), the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members), have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

Eligibility - A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through their 60th birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

Annual Amount - The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Member Contributions
Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other postemployment benefits. Plan members electing the Defined Contribution plan are not required to make additional contributions.

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

Pension and OPEB contributions made in the fiscal year ending September 30, 2023 were determined as of the September 30, 2022 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2022 are amortized over an 16-year period beginning October 1, 2022 and ending September 30, 2038.

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

	Pension	Other Postemployment Benefit
October 1, 2023 – September 30, 2024	13.90% - 23.03%	7.06% - 8.31%
October 1, 2022 – September 30, 2023	13.75% - 20.16%	7.21% - 8.07%

The District's pension contributions for the year ended June 30, 2024 were equal to the required contribution total. Total pension contributions were approximately $4,542,000. Of the total pension contributions approximately $4,437,000 was contributed to fund the Defined Benefit Plan and approximately $105,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2024 were equal to the required contribution total. Total OPEB contributions were approximately $1,015,000. Of the total OPEB contributions approximately $957,000 was contributed to fund the Defined Benefit Plan and approximately $58,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefit, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2022 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-University Employers	September 30, 2022	September 30, 2023
Total Pension Liability	$95,876,795,620	$94,947,828,557
Plan Fiduciary Net Position	58,268,076,344	62,581,762,238
Net Pension Liability	$37,608,719,276	$32,366,066,319
Proportionate Share	0.10852%	0.10850%
Net Pension Liability for the District	$40,813,133	$35,118,894

For the year ended June 30, 2024, the District recognized pension expense of $4,229,094.

At June 30, 2024, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes of Assumptions	$4,758,770	($2,743,799)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	(718,646)
Differences Between Actual and Expected Experience	1,108,596	(53,797)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	162,748	(214,051)
Employer Contributions Subsequent to the Measurement Date	4,198,876	0
TOTAL	$10,228,990	($3,730,293)

$4,198,876, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year Ending Sept. 30,	Amount
2024	$769,138
2025	533,531
2026	1,508,944
2027	(511,792)

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

The net OPEB liability was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2022 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-University Employers	September 30, 2022	September 30, 2023
Total Other Postemployment Benefits Liability	$12,522,713,324	$11,223,648,949
Plan Fiduciary Net Position	10,404,650,683	11,789,347,341
Net Other Postemployment Benefits Liability	$2,118,062,641	$(565,698,392)
Proportionate Share	0.10925%	0.10829%
Net Other Postemployment Benefits Liability for the District	$2,314,075	$(612,591)

For the year ended June 30, 2024, the District recognized OPEB benefit of $1,147,070.

At June 30, 2024, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes of Assumptions	$1,363,735	($164,219)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,868	0
Differences Between Actual and Expected Experience		(4,629,054)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	165,769	(179,123)
Employer Contributions Subsequent to the Measurement Date	866,596	0
TOTAL	$2,397,968	($4,972,396)

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

$866,596, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending Sept. 30,	Amount
2024	($1,144,204)
2025	(1,028,902)
2026	(384,074)
2027	(410,904)
2028	(314,495)
Thereafter	(158,445)

Actuarial Assumptions

Investment Rate of Return for Pension - 6.00% a year, compounded annually net of investment and administrative expenses for the MIP, Basic, Pension Plus, and Pension Plus 2 Plan groups.

Investment Rate of Return for OPEB - 6.00% a year, compounded annually net of investment and administrative expenses.

Salary Increases - The rate of pay increase used for individual members is 2.75% - 11.55%, including wage inflation at 2.75%.

Inflation - 3.0%.

Mortality Assumptions -

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

Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and MP-202 adjusted for mortality improvements using projection scale from 2010.

Disabled Retirees: PubNS-2010 Male and Female Disabled Retiree Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Experience Study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2022. Assumption changes as a result of an experience study for the periods 2017 through 2022 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2023 valuation.

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions (Continued)

The Long-Term Expected Rate of Return on Pension and Other Postemployment Benefit Plan Investments - The pension rate was 6.00% (MIP, Basic, Pension Plus Plan, and Pension Plus 2 Plan), and the other postemployment benefit rate was 6.00%, net of investment and administrative expenses determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Cost of Living Pension Adjustments - 3.0% annual non-compounded for MIP members.

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.50% for year one and graded to 3.5% in year fifteen. Post 65, 6.25% for year one and graded to 3.5% in year fifteen.

Additional Assumptions for Other Postemployment Benefit Only - Applies to Individuals Hired Before September 4, 2012:

Opt Out Assumption - 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.

Survivor Coverage - 80% of male retirees and 67% of female retirees electing two-person coverage are assumed to have coverage continuing after the retiree's death.

Coverage Election at Retirement - 75% of male and 60% of female future retirees who elected coverage are assumed to elect coverage for 1 or more dependents.

The target asset allocation at September 30, 2023 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation*	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.8%
International Equity Pools	15.0%	6.8%
Private Equity Pools	16.0%	9.6%
Real Estate and Infrastructure Pools	10.0%	6.4%
Fixed Income Pools	13.0%	1.3%
Absolute Return Pools	9.0%	4.8%
Real Return/Opportunistic Pools	10.0%	7.3%
Short Term Investment Pools	2.0%	0.3%
Total	**100.00%**	

* Long term rates of return are net of administrative expenses and 2.7% inflation.

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions (Continued)

Rate of Return - For fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 8.29% and 7.94%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net pension liability calculated using a single discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Pension		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	$47,445,523	$35,118,894	$24,856,530

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net OPEB liability (asset) calculated using a single discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefit		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net other postemployment benefit liability (asset)	$635,073	$(612,591)	$(1,684,836)

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions (Continued)

Sensitivity to the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability (asset) calculated using the healthcare cost trend rate, as well as what the Reporting Unit's proportionate share of the net other postemployment benefit liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefit		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District proportionate share of the net other postemployment benefit liability	$(1,687,510)	$(612,591)	$550,823

Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB's fiduciary net position is available in the separately issued Michigan Public School Employees' Retirement System 2023 Annual Comprehensive Financial Report.

Payable to the Pension and OPEB Plan - At year end the School District is current on all required pension and other postemployment benefit plan payments. Amounts accrued at year end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

12) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The District limits its exposure to such claims through its participation in and payments of premiums to SET-SEG, Inc. Insurance Trust. This pool maintains a loss fund and is also required by the terms of the participation agreement to obtain insurance and reinsurance as necessary.

The terms of the participation agreement with the pool indicate that, should losses of the pool incurred in a given coverage period exceed the loss fund and the aggregate excess reinsurance, the fund may access its member districts on a pro-rata basis to cover excess losses. In past years the loss fund has exceeded the amount necessary to maintain prudent loss reserves, resulting in annual premium refunds to member districts. The District's management believes that participation in this pool provides sufficient coverage to protect the District from any significant adverse financial impact.

The District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2024 or any of the prior 3 years.

13) COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the District is involved in various pending or threatened legal actions. The District believe that any ultimate liability arising from these actions will not have a material adverse effect on its financial position.

The District participates in a number of federal and state programs that require compliance with specific terms and conditions and are subject to audits by the contracting agencies. Management believes that the effect of any disallowed expenditures would be immaterial to the financial statements.

The District has active capital projects outstanding at June 30, 2024. Approximately $4,062,000 is restricted and recorded as fund balance in the 2024 building and site fund.

14) UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

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

   i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:

      1) Overview of the Financial Statements,
      2) Financial Summary,
      3) Detailed Analyses,
      4) Significant Capital Asset and Long-Term Financing Activity,
      5) Currently Known Facts, Decisions, or Conditions;

   ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;

   iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;

14) UPCOMING ACCOUNTING PRONOUNCEMENTS (Continued)

b. Unusual or infrequent items;

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

i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;

ii. Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses and defines subsidies;

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 of 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;

The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

REQUIRED SUPPLEMENTARY

INFORMATION

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
REVENUES				
Local Sources	$3,655,000	$2,509,600	$2,599,374	$89,774
State Sources	16,250,700	18,900,000	20,019,872	1,119,872
Federal Sources	984,000	1,070,700	1,065,298	(5,402)
Total Revenues	$20,889,700	$22,480,300	$23,684,544	$1,204,244
EXPENDITURES				
Instruction	13,711,400	14,427,000	14,077,441	349,559
Student Services	1,673,300	1,657,600	1,561,754	95,846
Instructional Support	677,600	897,200	907,246	(10,046)
General Administration	432,500	436,600	405,116	31,484
School Administration	1,710,200	1,755,900	1,736,024	19,876
Business Administration	428,400	434,600	443,641	(9,041)
Operation & Maintenance of Plant	2,326,100	2,595,400	2,382,385	213,015
Transportation	1,616,000	1,426,700	1,295,314	131,386
Support Services - Other	1,642,400	1,430,500	1,504,614	(74,114)
Community Services	0	600	826	(226)
Total Expenditures	$24,217,900	$25,062,100	$24,314,361	$747,739
Excess of Revenues Over Expenditures	($3,328,200)	($2,581,800)	($629,817)	$1,951,983
OTHER FINANCING SOURCES (USES)	557,700	452,100	562,006	109,906
Net Change in Fund Balance	($2,770,500)	($2,129,700)	($67,811)	$2,061,889
FUND BALANCE - BEGINNING OF YEAR			6,127,100	
FUND BALANCE - END OF YEAR			$6,059,289	

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH FISCAL YEAR)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting unit's proportion of net pension liability (%)	0.10850%	0.10852%	0.10935%	0.10769%	0.10950%	0.11303%	0.11536%	0.11939%	0.11973%	0.11764%
Reporting unit's proportionate share of net pension liability	$35,118,894	$40,813,133	$25,888,318	$36,994,699	$36,261,619	$33,978,687	$29,893,916	$29,786,020	$29,243,745	$25,911,060
Reporting unit's covered-employee payroll	$10,679,299	$10,478,869	$9,947,484	$9,446,618	$9,395,364	$9,489,313	$9,470,792	$10,015,791	$9,885,764	$9,973,420
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	328.85%	389.48%	260.25%	391.62%	385.95%	358.07%	315.64%	297.39%	295.82%	259.80%
Plan fiduciary net position as a percentage of total pension liability	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S CONTRIBUTIONS - PENSION
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$3,910,651	$3,693,586	$3,283,273	$2,959,622	$2,908,822	$3,077,816	$2,705,735	$2,688,001	$2,309,720	$1,826,954
Contributions in relation to statutorily required contributions	3,910,651	3,693,586	3,283,273	2,959,622	2,908,822	3,077,816	2,705,735	2,688,001	2,309,720	1,826,954
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Reporting unit's covered-employee payroll	$11,158,280	$11,063,964	$10,346,212	$9,734,567	$9,365,943	$9,394,993	$9,500,752	$9,485,873	$9,885,764	$9,973,420
Contributions as a percentage of covered-employee payroll	35.05%	33.38%	31.73%	30.40%	31.06%	32.76%	28.48%	28.34%	23.36%	18.32%

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH FISCAL YEAR)

	2023	2022	2021	2020	2019	2018	2017
Reporting unit's proportion of net OPEB liability (%)	0.10829%	0.10925%	0.11118%	0.10715%	0.10780%	0.11166%	0.11523%
Reporting unit's proportionate share of net OPEB liability	($612,591)	$2,314,075	$1,697,049	$5,740,332	$7,737,743	$8,875,738	$10,203,794
Reporting unit's covered-employee payroll	$10,679,299	$10,478,869	$9,947,484	$9,446,618	$9,395,364	$9,489,313	$9,470,792
Reporting unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	-5.74%	22.08%	17.06%	60.77%	82.36%	93.53%	107.74%
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, reporting units should present information for those years for which information is available.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S CONTRIBUTIONS - OPEB
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	$843,569	$832,227	$825,350	$757,044	$740,176	$724,776	$897,082
Contributions in relation to statutorily required contributions	843,569	832,227	825,350	757,044	740,176	724,776	897,082
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0
Reporting unit's covered-employee payroll	$11,158,280	$11,063,964	$10,346,212	$9,734,567	$9,365,943	$9,394,993	$9,500,752
Contributions as a percentage of covered-employee payroll	7.56%	7.52%	7.98%	7.78%	7.90%	7.71%	9.44%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, reporting units should present information for those years for which information is available.

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and Special Revenue Fund (Food Service). All annual appropriations lapse at fiscal year-end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. The School District increased/decreased budgeted amounts during the year in response to changes in funding and related expenditures.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

During the year, Yale Public Schools had the following expenditure budget variances.

	Final Budget	Actual	Variance With Final Budget
Instructional Support	$897,200	$907,246	($10,046)
Business Administration	434,600	443,641	(9,041)
Support Services - Other	1,430,500	1,504,614	(74,114)
Community Services	600	826	(226)

NOTE 1 - PENSION INFORMATION

Benefit Changes - there were no changes of benefit terms in 2023.

Changes of Assumptions - the assumption changes for 2023 were:

- Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

NOTE 2 - OPEB INFORMATION

Benefit Changes - there were no changes of benefit terms in 2023.

Changes of Assumptions - the assumption changes for 2023 were:

- Healthcare cost trend rate
    - Pre 65 decreased to 7.50% for year one graded to 3.50% for year fifteen from 7.75% for year one graded to 3.50% for year fifteen.
    - Post 65 increased to 6.25% for year one and graded to 3.5% for year fifteen from 5.25% for year one and graded to 3.5% for year fifteen.
- Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

ADDITIONAL SUPPLEMENTARY INFORMATION

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds	Debt Retirement Funds	Sinking Capital Projects Fund	Capital Projects Fund	Total Other Governmental Funds
ASSETS					
Cash and Cash Equivalents	$2,571,439	$614,424	$1,508,374	$1,025,291	$5,719,528
Investments	0	14,299	0	0	14,299
Receivables:					
Due from Other Funds	4,899	0	0	250,000	254,899
Due from Other Governmental Units	11,154	0	0	0	11,154
Inventory	15,234	0	0	0	15,234
TOTAL ASSETS	$2,602,726	$628,723	$1,508,374	$1,275,291	$6,015,114
LIABILITIES					
Accounts Payable	$14,830	$443	$5,603	$0	$20,876
Due to Other Funds	69,479	0	0	0	69,479
Total Liabilities	$84,309	$443	$5,603	$0	$90,355
FUND BALANCE					
Non-Spendable - Inventory	15,234	0	0	0	15,234
Restricted					
Food Service	1,347,164	0	0	0	1,347,164
Debt Retirement	0	628,280	0	0	628,280
Capital Projects	0	0	1,502,771	1,275,291	2,778,062
Committed					
Student Activities	780,936	0	0	0	780,936
Assigned					
Latchkey	375,083	0	0	0	375,083
Total Fund Balance	$2,518,417	$628,280	$1,502,771	$1,275,291	$5,924,759
TOTAL LIABILITIES AND FUND BALANCE	$2,602,726	$628,723	$1,508,374	$1,275,291	$6,015,114

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Debt Retirement Funds	Sinking Capital Projects Fund	Capital Projects Funds	Total Other Governmental Funds
REVENUES					
Local Sources	$1,224,759	$2,261,355	$542,289	$23,000	$4,051,403
State Sources	399,862	0	0	0	399,862
Federal Sources	1,008,455	0	0	0	1,008,455
Total Revenues	$2,633,076	$2,261,355	$542,289	$23,000	$5,459,720
OTHER FINANCING SOURCES (USES)					
Transfers In	8	0	0	250,000	250,008
Transfers Out	(68,500)	0	0	0	(68,500)
Total Other Financing Sources (Uses)	($68,492)	$0	$0	$250,000	$181,508
Total Revenues & Other Financing Sources	$2,564,584	$2,261,355	$542,289	$273,000	$5,641,228
EXPENDITURES					
Food Service	1,116,525	0	0	0	1,116,525
Student Activities	796,325	0	0	0	796,325
Latch Key	280,171	0	0	0	280,171
Debt Service	0	2,197,098	0	0	2,197,098
Capital Outlay	0	0	190,055	34,643	224,698
Total Expenditures	$2,193,021	$2,197,098	$190,055	$34,643	$4,614,817
Net Change in Fund Balance	$371,563	$64,257	$352,234	$238,357	$1,026,411
FUND BALANCE - BEGINNING OF YEAR	2,146,854	564,023	1,150,537	1,036,934	4,898,348
FUND BALANCE - END OF YEAR	$2,518,417	$628,280	$1,502,771	$1,275,291	$5,924,759

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2024

	Food Service	Student Activities	Latch Key	Total
ASSETS				
Cash and Cash Equivalents	$1,384,438	$776,037	$410,964	$2,571,439
Receivables:				
Due from Other Funds	0	4,899	0	4,899
Due from Other Governmental Units	11,154	0	0	11,154
Inventory	15,234	0	0	15,234
TOTAL ASSETS	$1,410,826	$780,936	$410,964	$2,602,726
LIABILITIES				
Accounts Payable	$14,830	$0	$0	$14,830
Due to Other Funds	33,598	0	35,881	69,479
Total Liabilities	$48,428	$0	$35,881	$84,309
FUND BALANCE				
Non-Spendable - Inventory	15,234	0	0	15,234
Restricted - Food Service	1,347,164	0	0	1,347,164
Committed	0	780,936	0	780,936
Assigned	0	0	375,083	375,083
Total Fund Balance	$1,362,398	$780,936	$375,083	$2,518,417
TOTAL LIABILITIES AND FUND BALANCE	$1,410,826	$780,936	$410,964	$2,602,726

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2024

	Food Service	Student Activities	Latch Key	Total
REVENUES				
Local Sources				
Food Sales	$88,517	$0	$0	$88,517
Community Services	0	0	241,063	241,063
Student Activities	0	875,406	0	875,406
Other Local Revenue	4,215	0	0	4,215
Earnings on Investments and Deposits	10,952	0	4,606	15,558
Total Local Sources	$103,684	$875,406	$245,669	$1,224,759
State Sources	399,862	0	0	399,862
Federal Sources	1,008,455	0	0	1,008,455
Total Revenues	$1,512,001	$875,406	$245,669	$2,633,076
OTHER FINANCING SOURCES				
Transfers from Other Funds	8	0	0	8
Total Revenues and Other Financing Sources	$1,512,009	$875,406	$245,669	$2,633,084
EXPENDITURES				
Salaries - Professional	0	0	84,614	84,614
Salaries - Non-Professional	72,525	0	79,011	151,536
Insurances	122	0	0	122
Fica, Retirement, Etc.	34,729	0	89,746	124,475
Other Benefits	0	0	414	414
Purchased Services	324,945	0	12,423	337,368
Supplies and Materials	645,445	0	13,782	659,227
Capital Outlay	29,778	0	0	29,778
Other	8,981	796,325	181	805,487
Total Expenditures	$1,116,525	$796,325	$280,171	$2,193,021
OTHER FINANCING USES				
Transfers to Other Funds	33,500	0	35,000	68,500
Total Expenditures and Other Financing Uses	$1,150,025	$796,325	$315,171	$2,261,521
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$361,984	$79,081	($69,502)	$371,563
FUND BALANCE - BEGINNING OF YEAR	1,000,414	701,855	444,585	2,146,854
FUND BALANCE - END OF YEAR	$1,362,398	$780,936	$375,083	$2,518,417

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING BALANCE SHEET
DEBT RETIREMENT FUNDS
JUNE 30, 2024

	2015 Debt	2022 Debt	TOTALS
ASSETS			
Cash and Cash Equivalents	$276,759	$337,665	$614,424
Investments	14,299	0	14,299
TOTAL ASSETS	$291,058	$337,665	$628,723
LIABILITIES			
Accounts Payable	$0	$443	$443
FUND BALANCE			
Restricted - Debt Retirement	291,058	337,222	628,280
TOTAL LIABILITIES AND FUND BALANCE	$291,058	$337,665	$628,723

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT RETIREMENT FUNDS
YEAR ENDED JUNE 30, 2024

	2015 Debt	2022 Debt	Total After Interfund Eliminations
REVENUES			
Local Sources			
Property Tax Levy	$899,845	$1,349,767	$2,249,612
Earnings on Investments and Deposits	5,679	6,064	11,743
Total Local Sources	$905,524	$1,355,831	$2,261,355
EXPENDITURES			
Redemption of Bonds	785,000	755,000	1,540,000
Interest on Bonded Debt	83,025	563,688	646,713
Other Debt Retirement Expense	8,566	1,819	10,385
Total Expenditures	$876,591	$1,320,507	$2,197,098
EXCESS REVENUES OVER (UNDER) EXPENDITURES	$28,933	$35,324	$64,257
FUND BALANCE - BEGINNING OF YEAR	262,125	301,898	564,023
FUND BALANCE - END OF YEAR	$291,058	$337,222	$628,280

SCHEDULE 1

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
PRIVATE PURPOSE TRUSTS
STATEMENT OF REVENUE AND EXPENDITURES
YEAR ENDED JUNE 30, 2024

THELMA STEWART SCHOLARSHIP FUND	
BALANCE - JULY 1, 2023	$319,877
REVENUE	
Interest	9,732
EXPENDITURES	
Scholarship Awards	3,000
BALANCE - JUNE 30, 2024	$326,609
BETTE GUILLIANI SCHOLARSHIP FUND	
BALANCE - JULY 1, 2023	$31,996
REVENUE	
Interest	403
EXPENDITURES	
Scholarships	399
BALANCE - JUNE 30, 2024	$32,000
EVA GRAHAM SCHOLARSHIP FUND	
BALANCE - JULY 1, 2023	$125,088
REVENUE	
Interest	3,806
EXPENDITURES	
Scholarships	1,500
BALANCE - JUNE 30, 2024	$127,394
ALL SCHOLARSHIP FUNDS	
BALANCE - JUNE 30, 2024	$486,003

SCHEDULE 2

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
GENERAL OBLIGATION SERIAL BONDS
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2024

	2012 SCHOOL IMPROVEMENT BONDS				
Payment Date	Principal Requirement	Rate	May Interest Requirement	Nov Interest Requirement	Total Requirement
2024-2025	$85,000	4.10%	$3,280	$5,022	$93,302
2025-2026	85,000	4.10%	1,538	3,280	89,818
2026-2027	75,000	4.10%	0	1,538	76,538
TOTALS	$245,000		$4,818	$9,840	$259,658

	2015 DEBT REFUNDING BONDS				
Payment Date	Principal Requirement	Rate	May Interest Requirement	Nov Interest Requirement	Total Requirement
2024-2025	$775,000	2.70%	$30,915	$30,915	$836,830
2025-2026	760,000	2.70%	20,453	20,453	800,906
2026-2027	755,000	2.70%	10,193	10,193	775,386
TOTALS	$2,290,000		$61,561	$61,561	$2,413,122

	2022 SCHOOL BUILDING BONDS				
Payment Date	Principal Requirement	Rate	May Interest Requirement	Nov Interest Requirement	Total Requirement
2024-2025	$835,000	2.00%	$274,294	$274,293	$1,383,587
2025-2026	955,000	2.00%	265,943	265,944	1,486,887
2026-2027	1,075,000	2.25%	256,394	256,394	1,587,788
2027-2028	1,490,000	4.00%	244,300	244,300	1,978,600
2028-2029	1,555,000	5.00%	214,500	214,500	1,984,000
2029-2030	1,635,000	5.00%	175,625	175,625	1,986,250
2030-2031	1,720,000	5.00%	134,750	134,750	1,989,500
2031-2032	1,810,000	5.00%	91,750	91,750	1,993,500
2032-2033	1,860,000	5.00%	46,500	46,500	1,953,000
TOTALS	$12,935,000		$1,704,056	$1,704,056	$16,343,112

YALE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/ Pass - Through Grantor/ Program Title	Federal ALN	Pass-Through Project Number	Approved Grant Award Amount	Accrued (Unearned) Revenue July 1, 2023	Prior Year Expenditures	Current Year Expenditures	Adjustments Prior Years	Current Year Cash/ Payment In Kind Received	Accrued (Unearned) Revenue June 30, 2024
U.S. DEPARTMENT OF EDUCATION									
Passed Through Michigan Department of Education:									
Title I Grants to Local Educational Agencies:	84.010								
ESEA Title I - Regular (22-23)		231530-2223	$383,169	$66,147	$337,801	$4,713	$0	$70,860	$0
ESEA Title I - Regular (23-24)		241530-2324	382,553	0	0	356,720	0	353,273	3,447
Total ALN 84.010			$765,722	$66,147	$337,801	$361,433	$0	$424,133	$3,447
Title II - Supporting Effective Instruction	84.367								
Title IIA (22-23)		230520-2223	83,075	9,258	51,144	4,196	0	13,454	0
Title IIA (23-24)		240520-2324	75,768	0	0	59,112	0	59,112	0
Total ALN 84.367			$158,843	$9,258	$51,144	$63,308	$0	$72,566	$0
Student Support & Academic Enrichment	84.424								
Title IV (23-24)		220750-2122	21,420	0	0	(13,657)	0	(13,657)	0
Title IV (23-24)		240750-2324	28,119	0	0	28,119	0	28,119	0
Total ALN 84.424			$49,539	$0	$0	$14,462	$0	$14,462	$0
Education Stabilization Fund									
Covid 19 ESSER II 98C	84.425D	213782-2223	93,423	33,855	74,542	18,881	0	52,736	0
Covid 19 - ESSER III American Rescue Plan	84.425U	213713-2122	1,854,330	176,019	1,854,330	0	0	176,019	0
Covid 19 - ESSER III Section 11t	84.425U	213723-2122	196,488	22,555	176,705	19,783	0	42,338	0
Total ALN 84.425			$2,144,241	$232,429	$2,105,577	$38,664	$0	$271,093	$0
Total Passed Through Michigan Department of Education			$3,118,345	$307,834	$2,494,522	$477,867	$0	$782,254	$3,447
Passed Through Marquette-Alger RESA									
IDEA Grant Funded Initiatives	84.027	230470-2D33	2,165	0	0	2,165	0	2,165	0
IDEA Grant Funded Initiatives	84.027	240470-2D33	2,214	0	0	2,214	0	2,214	0
Passed Through St. Clair County RESA:									
Special Education - Grants to States:	84.027								
IDEA Flowthrough (23-24)		240450-2324	533,433	0	0	533,433	0	533,433	0
Total ALN 84.027			$537,812	$0	$0	$537,812	$0	$537,812	$0
Special Education - Preschool Grants	84.173								
IDEA PPI (23-24)		240460-2324	17,533	0	0	17,533	0	17,533	0
Total Special Education Cluster			$555,345	$0	$0	$555,345	$0	$555,345	$0
TOTAL U.S. DEPARTMENT OF EDUCATION			$3,673,690	$307,834	$2,494,522	$1,033,212	$0	$1,337,599	$3,447

YALE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/ Pass - Through Grantor/ Program Title	Federal ALN	Pass-Through Project Number	Approved Grant Award Amount	Accrued (Unearned) Revenue July 1, 2023	Prior Year Expenditures	Current Year Expenditures	Adjustments Prior Years	Current Year Cash/ Payment In Kind Received	Accrued (Unearned) Revenue June 30, 2024
U.S. DEPARTMENT OF AGRICULTURE									
Passed Through Michigan Department of Education:									
Cash Assistance									
Local Food For Schools	10.185	230985	$201	$0	$0	$201	$0	$201	$0
National School Breakfast Program	10.553	231970	31,352	0	0	31,352	0	31,352	0
National School Breakfast Program	10.553	241970	242,946	0	0	242,946	0	242,946	0
Total ALN 10.553			$274,298	$0	$0	$274,298	$0	$274,298	$0
Non-Cash Assistance									
Entitlement Commodities	10.555	N/A	86,178	0	0	86,178	0	86,178	0
Bonus Commodities	10.555	N/A	1,386	0	0	1,386	0	1,386	0
Total Commodities			$87,564	$0	$0	$87,564	$0	$87,564	$0
Cash Assistance									
Supply Chain Assistance	10.555	220910	44,580	0	0	44,580	0	44,580	0
Supply Chain Assistance	10.555	240910	1,762	0	0	1,762	0	1,762	0
National School Lunch Program	10.555	231960	72,020	0	0	72,020	0	72,020	0
National School Lunch Program	10.555	241960	518,030	0	0	518,030	0	518,030	0
Total ALN 10.555			$723,956	$0	$0	$723,956	$0	$723,956	$0
Total Nutrition Cluster			$998,254	$0	$0	$998,254	$0	$998,254	$0
School Breakfast Expansion	10.579	221997	10,000	0	0	10,000	0	10,000	0
TOTAL U.S. DEPARTMENT OF AGRICULTURE			$1,008,455	$0	$0	$1,008,455	$0	$1,008,455	$0
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES									
Passed Through St. Clair County RESA:									
Medicaid (22-23)		Unknown	13,325	8,381	13,325	0	0	8,381	0
Medicaid (23-24)	93.778	Unknown	20,907	0	0	20,907	0	9,385	11,522
			$34,232	$8,381	$13,325	$20,907	$0	$17,766	$11,522
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES									
TOTAL FEDERAL AWARDS			$4,716,377	$316,215	$2,507,847	$2,062,574	$0	$2,363,820	$14,969

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
NOTES/RECONCILIATION TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

FEDERAL REVENUE RECOGNIZED FOR THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	$2,062,574
FEDERAL REVENUE RECOGNIZED PER THE GENERAL PURPOSE FINANCIAL STATEMENTS	
General Fund	$1,065,298
School Service Fund	1,008,455
Total	$2,073,753
Less: QZAB Energy Bonds Interest Subsidy - in General Fund - Not Subject to Single Audit	(11,179)
TOTAL	$2,062,574

1) Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal grant activity of Yale Public Schools for the year ended June 30, 2024.

   The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the schedule presents only a selected portion of the operations of Yale Public Schools, it is not intended to and does not present the financial position or changes in net position of Yale Public Schools.

   Management has utilized the NexSys System in preparing the Schedule of Expenditures of Federal Awards. All differences between the Schedule of Expenditures of Federal Awards and the Grant Auditor's Report have been reconciled in the attached reconciliation on page 53 of this report.

   The District qualifies for low-risk auditee status.

2) Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Expenditures are recognized following the cost principles in the Uniform Guidance as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

   The District has elected not to use the 10 percent de minimis indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

3) Noncash Assistance - The value of noncash assistance received was determined in accordance with the provisions of the Uniform Guidance. The grantee received no noncash assistance during the year ended June 30, 2024 that is not included on the schedule of expenditures of federal awards.

4) The District did not pass-through any federal awards to sub recipients.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
RECONCILIATION OF FORM "GRANT AUDITOR'S REPORT"
TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Current Payments Per the Grant Auditor's Report			
NexSys System			$1,544,537
Add: Reported on the NexSys System in the Prior Year but received by the District in the Current Year			
Title I (ALN 84.010)		$64,635	
Title II (ALN 84.367)		9,258	
ESSER II Formula Funds (ALN 84.425D)		72,363	
ESSER III Formula Funds (ALN 84.425U)		12,352	
Total			158,608
Add: Passed Through Marquette-Alger RESA			
IDEA Special Education Teacher Tuition Reimbursement (ALN 84.027			4,379
Add: Grants Passed Through St. Clair County RESA			
Special Education Grants (ALN 84.027)		$533,433	
Special Education - Preschool Grants (ALN 84.173)		17,533	
Medicaid (ALN 93.778)		17,766	
Total Grants Passed Through St. Clair County RESA			568,732
Entitlement and Bonus Commodities			87,564
TOTAL CURRENT YEAR RECEIPTS PER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			$2,363,820

Lewis & Knopf CPAs, PC

September 30, 2024

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*

To the Board of Education of
Yale Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yale Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Yale Public Schools' basic financial statements, and have issued our report thereon dated September 30, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Yale Public Schools' 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 Yale Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Yale Public Schools' internal control.

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

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

5206 Gateway Centre | Suite 100 | Flint, MI 48507 | 810-238-4617 | 877-244-1787 | 810-238-5083 fax
10299 E Grand River Road | Suite M | Brighton, MI 48116 | 810-225-1808
1100 Torrey Road | Suite 400 | Fenton, MI 48430 | 810-629-1500
www.lewis-knopf.com

Purpose of this Report

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

Lewis & Knopf, P.C.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Lewis & Knopf CPAs, PC

Lewis & Knopf CPAs, PC

September 30, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education of
Yale Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Yale Public Schools compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Yale Public Schools' major federal programs for the year ended June 30, 2024. Yale Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Yale Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Yale Public Schools and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Yale Public Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Yale Public Schools' federal programs.

5206 Gateway Centre | Suite 100 | Flint, MI 48507 | 810-238-4617 | 877-244-1787 | 810-238-5083 fax
10299 E Grand River Road | Suite M | Brighton, MI 48116 | 810-225-1808
1100 Torrey Road | Suite 400 | Fenton, MI 48430 | 810-629-1500
www.lewis-knopf.com

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Yale Public Schools' compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Yale Public Schools' compliance with the requirements of each major federal program as a whole.

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

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

- Identify and assess the risks of material noncompliance, 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 Yale Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Yale Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Yale Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lewis & Knopf, P.C.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

YALE PUBLIC SCHOOLS
SUMMARY OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	☐ Yes	☒ No
• Significant deficiency (ies) identified?	☐ Yes	☒ None reported
Noncompliance material to financial statements noted?	☐ Yes	☒ No

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	☐ Yes	☒ No
• Significant deficiency (ies) identified?	☐ Yes	☒ None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)?	☐ Yes	☒ No

Identification of major programs:

ALN	Name of Federal Program or Cluster
84.027/84.173	Special Education Cluster

Dollar threshold use to distinguish between type A and type B programs:	$ 750,000.00	
Auditee qualified as low-risk auditee?	☒ Yes	☐ No

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings for the current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings for the current year.

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no findings for the prior year.

Lewis & Knopf CPAs, PC

September 30, 2024

To the Board of Education of
Yale Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yale Public Schools for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 11, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Yale Public Schools are described in Note 1 to the financial statements. The application of existing policies was not changed during the 2023-2024 year. During the fiscal year, the District implemented Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Correction*. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Estimates have been used to calculate the net pension and net OPEB liabilities.

Estimates have been used in calculating the liability for employee compensated absences.

We evaluated the key factors and assumptions used to develop the balance of employee compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's determination of the estimated life span of the capital assets.

We evaluated the key factors and assumptions used by management to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 30, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to required supplementary information (RSI) which are required and supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The District had approximately $989,000 in excess food service fund balance at June 30, 2024.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of Yale Public Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lewis & Knopf, P.C.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Lewis & Knopf CPAs, PC