YALE PUBLIC SCHOOLS

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

JUNE 30, 2026

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Lewis & Knopf CPAs, PC

October 6, 2026

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Yale Public Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yale Public Schools, as of and for the year ended June 30, 2026, 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, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

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.

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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 additional supplementary information, as identified in the table of contents is 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 additional supplementary information, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2026, 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.
CERTIFIED PUBLIC ACCOUNTANTS

Lewis & Knopf CPAs, PC

The purpose of management's discussion and analysis (MD&A) is to help the District's residents and other readers understand what the financial statements and notes in this financial report say about the District's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the District's finances.

If you have any questions about this report or need any additional information, please contact the Business Office, Yale Public Schools at 810-387-3231.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- *Governmental activities* comprise the District's most basic functions, such as instruction, support services, and food services. Governmental activities primarily are financed by property taxes from non-personal residence exemption properties, state aid foundation, and federal grants. These statements provide both short-term and long-term information.

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

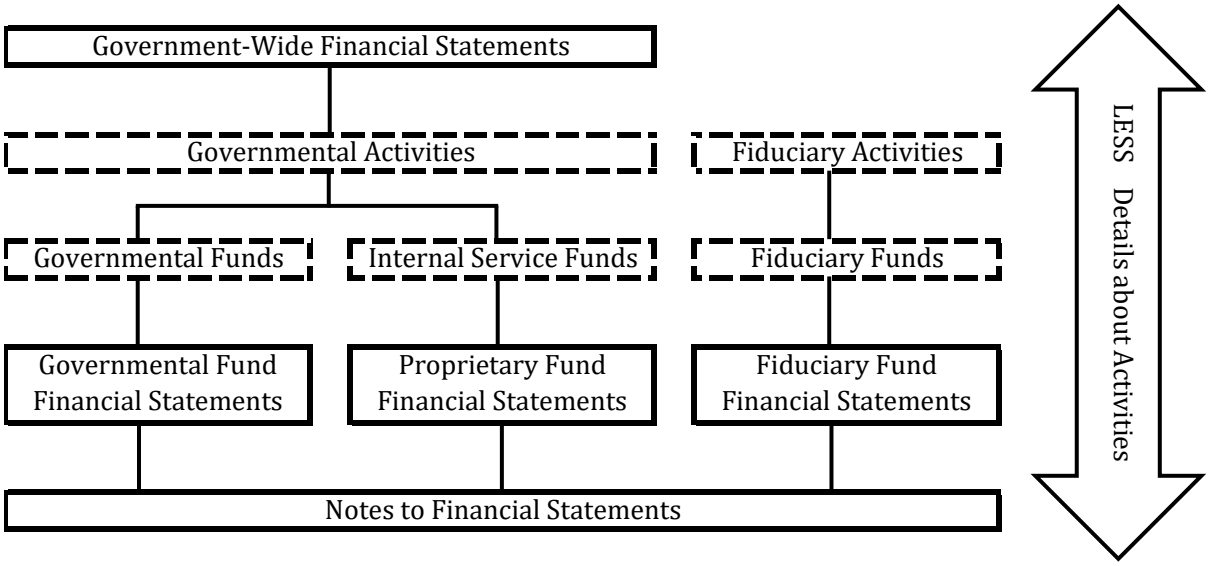
- *Governmental fund financial statements* report all of the governmental activities except those that involve providing services to District departments. In addition to the District's main operating fund - the general fund - those financial statements report special revenue funds that track the use of restricted or committed funding sources, debt service funds to record the repayment of outstanding bonds, and capital projects funds to account for resources used to acquire or construct long-lived assets.

- *Proprietary fund financial statements* report the services provided to District departments *(internal service funds).*

- *Fiduciary fund financial statements* report resources for which the District acts as a trustee or custodian. The resources in this fund do not belong to the District and cannot be used to provide services, which is why they are not included in the government-wide financial statements.

The District did not have any proprietary funds for the year ended June 30, 2026.

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



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

TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

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

- *Assets* - resources the District controls, from short-term assets like cash and cash equivalents to long-term assets like buildings and transportation equipment.
- *Liabilities* - amounts the District owes, from short-term liabilities such as salaries and related items to long-term liabilities such as outstanding debt and pension obligations.
- *Deferred outflows of resources and deferred inflows of resources* - flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- *Revenues and expenses* - inflows and outflows of economic resources, respectively, related to the current year.

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

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

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

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

FINANCIAL SUMMARY AND ANALYSIS OF THE DISTRICT'S FINANCES

TABLE A-1
NET POSITION

	2026	2025	Dollar Change	Total Percentage Change
Current Assets	$16,124,451	$17,921,878	($1,797,427)	-10.0%
Net Other Postemployment Benefits Asset	7,722,139	4,708,481	3,013,658	64.0%
Capital Assets	34,077,831	33,590,474	487,357	1.5%
Total Assets	$57,924,421	$56,220,833	$1,703,588	3.0%
Deferred Outflows of Resources	7,882,786	9,710,150	(1,827,364)	-18.8%
Long-Term Debt Outstanding	14,026,840	16,191,420	(2,164,580)	-13.4%
Net Pension Liability	21,966,277	26,672,313	(4,706,036)	-17.6%
Other Liabilities	3,859,144	4,502,218	(643,074)	-14.3%
Total Liabilities	$39,852,261	$47,365,951	($7,513,690)	-15.9%
Deferred Inflows of Resources	14,959,732	15,018,154	(58,422)	-0.4%
NET POSITION				
Net Investment in Capital Assets	21,220,707	18,929,691	2,291,016	12.1%
Restricted	12,822,371	10,150,924	2,671,447	26.3%
Unrestricted	(23,047,864)	(25,533,737)	2,485,873	-9.7%
TOTAL NET POSITION	$10,995,214	$3,546,878	$7,448,336	210.0%

Table A-1 shows that as of June 30, 2026, the District's total net position - assets and deferred outflows minus liabilities and deferred inflows - was $10,995,214, an increase of $7,448,336 or 210% compared with 2025. This increase is primarily due to paying down existing debt and changes in pension and OPEB obligations. All of the increase in net position was the result of the financial performance of the governmental activities. The following sections of MD&A analyze the finances of the governmental activities.

GOVERNMENTAL ACTIVITIES

Table A-2 shows revenues exceeding expenses in the current year, resulting in an increase in net position. The total net position of the District's governmental activities was $7,448,336 an increase of $127,345 or 1.7% from 2025. Various events contributed to this increase in net position; however, the primary factors affecting the change in net position are as follows:

1. Increased in grant revenues.
2. Growth in the taxable value of nonpersonal residential exempt properties.
3. Increase in Foundation Allowance.
4. Increased depreciation due to building improvements
5. Expenses were offset due to decreases in net pension and OPEB obligations

TABLE A-2
CHANGES IN NET POSITION

	2026	2025	Dollar Change	Total Percentage Change
REVENUES				
Program Revenues				
Charges for Services	$1,221,579	$1,229,279	($7,700)	-0.6%
Operating Grants	5,028,037	5,892,592	(864,555)	-14.7%
General Revenues				
Property Taxes	5,329,077	5,218,343	110,734	2.1%
State Sources - Unrestricted	17,273,276	16,525,921	747,355	4.5%
Interdistrict Sources	934,429	956,276	(21,847)	-2.3%
Other General Revenues	427,264	603,753	(176,489)	-29.2%
Total Revenues	$30,213,662	$30,426,164	($212,502)	-0.7%
EXPENSES				
Instruction	10,603,027	10,626,923	(23,896)	-0.2%
Support Services	7,970,952	8,816,442	(845,490)	-9.6%
Community Services	154,702	153,723	979	0.6%
Food Service	1,698,488	1,103,858	594,630	53.9%
Student Activities	827,444	768,559	58,885	7.7%
Interest on Long-Term Debt	384,171	513,375	(129,204)	-25.2%
Depreciation/Amortization	1,126,542	1,122,293	4,249	0.4%
Total Expenses	$22,765,326	$23,105,173	($339,847)	-1.5%
CHANGE IN NET POSITION	$7,448,336	$7,320,991	$127,345	1.7%

Increase in Property taxes

The increase in property taxes was primarily attributable to growth in the taxable value of nonpersonal residential properties that are exempt from personal property taxation. The higher taxable values resulted in an increase in the property tax assessment compared with the prior year.

Increases in State Sources

State sources are a product of student counts multiplied by the foundation allowance. The foundation allowance increased by $442 per pupil in 2026, with an increase in enrollment of approximately 7 students. These two factors resulted in an increase in State Sources of 4.9%.

Decrease in Other General Revenues

Other general revenues decreased compared with the prior year, primarily due to reduction of UAAL fiscal support, loss of Covid-related grants and a lower transfer from Saint Clair County RESA.

Decrease in Expenses

Total expenses for the District decreased by 1.5% overall. The significant reduction was due to pension and OPEB adjustment. The adjustment was a noncash transaction, and a significant portion of the adjustment was in the instruction function. The District has no control over the pension and OPEB plans as they are administered by the state.

Support services – Support service expenditures decreased in fiscal year 2026 due to not purchasing a school bus (delivered in July) and student technology support.

Decreased interest expense – As the district continues to pay down existing debt, more of each payment goes toward principal and less is required for interest.

GOVERNMENTAL FUNDS

The District reports three major funds individually in the governmental fund financial statements. These funds are the general fund, 2022 capital projects fund and sinking capital projects fund. Most of the discussion regarding governmental activities is equally applicable to the finances of this governmental fund. However, certain factors that are relevant to the District's current financial health are more apparent in the fund financial statements than in the government-wide statements. The changes are shown in Table A-3 and are discussed in more detail below.

TABLE A-3
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	General Fund		Other Major Funds	
	2026	2025	2026	2025
REVENUES	$24,547,213	$24,676,127	$649,287	$2,390,777
EXPENDITURES	25,125,413	24,873,490	1,058,073	4,789,066
Excess (Deficiency) of Revenues Over Expenditures	($578,200)	($197,363)	($408,786)	($2,398,289)
OTHER FINANCING SOURCES (USES)	10,694	8,992	90,568	(22,492)
NET CHANGE IN FUND BALANCE	($567,506)	($188,371)	($318,218)	($2,420,781)

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

General Fund

The fund balance of the District's general fund decreased by $567,506. The decline in fund balance is attributable to the continued fiscal support of many academic and social/emotional programs continued after grant funds expired. This decision was an intentional use of fund balance to maintain successful support positions.

The overall fund balance at the end of June 30, 2026, represented approximately 21% of operating expenditures. The District aims to have a minimum fund balance of 10% of operating expenditures. Within fund balance, approximately 53% of the balance is considered unassigned. The remaining 47% is considered either restricted, committed, or assigned for other items and is not readily available for use.

Other Major Funds

The fund balance for the other major funds is considered to be 100% restricted. This means that the fund balance can only be used for the restricted purpose of that fund and is not readily available for use.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM OBLIGATIONS

Capital Assets

The discussion thus far has only touched upon certain significant transactions and events during 2026 with respect to capital assets and long-term obligations. Overall, the carrying value of capital assets-original cost minus accumulated depreciation- increased 1.5% over 2025. See Table A-4 for the carrying value of capital assets.

TABLE A-4
CAPITAL ASSETS

	2026			2025	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	Total % Change
Land	$519,650	$0	$519,650	$519,650	0.0%
Construction in Progress	15,754,613	0	15,754,613	15,777,511	0.0%
Building and Improvements	37,070,064	21,065,044	16,005,020	15,428,146	3.7%
Vehicles and Buses	1,857,763	1,147,177	710,586	868,776	-18.2%
Furniture and Equipment	4,066,113	2,978,151	1,087,962	996,391	9.2%
TOTAL	$59,268,203	$25,190,372	$34,077,831	$33,590,474	1.5%

A significant reason for the increase in the net capital assets relates to the addition and renovation of the junior high building. Food service serving areas and kitchen at the junior high were also updated. The additions of capital assets outpaced the depreciation during the year, resulting in a net increase in capital assets.

Long-term Obligations

Overall, the carrying value of the District's long-term obligations decreased by 13.4% from the prior year. See Table A-5 for the carrying value of the District's long-term obligations.

TABLE A-5
OUTSTANDING LONG-TERM OBLIGATIONS

	2026	2025	
General Obligation Bonds - Net	$13,543,522	$15,563,034	-13.0%
Compensated Absences	483,318	628,386	-23.1%
TOTAL	$14,026,840	$16,191,420	-13.4%

The total amount of principal paid in the current year was $1,800,000.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

There are several factors that could significantly affect the financial health of the District in the future.

- State and Federal grant allocations – Grant allocations are finalized after the budget is adopted. Title I, Title IIA, IDEA allocations are all increased after June 30. Additionally, carryover funds increase the grant balances. These programs provide significant support to student academic culture.

- Potential new State and Federal grants – After the budget is adopted in early June, the State announces several grant opportunities. The district carefully evaluates the options and applies for any and all that may benefit our students.

- Cost of employee health insurance – Employee health insurance has increased slightly over the past several years for the district. Employees have shouldered the majority of the financial burden. In light of the current political climate, if the district is required to reassume the full cost of health care the budget will absorb almost one million dollars more in additional costs.

- Student enrollment losses have been mostly offset by an increase in school of choice participation. All district buildings have sufficient room for adding a classroom or two if enrollment expands.

- Cost of negotiated labor contracts The district recognizes the need to offer competitive wage and benefit packages to recruit and retain talent. An increase in minimum wage pushes not only the workers earning at that level, but wages in the tiers above within the same classification.

BASIC FINANCIAL STATEMENTS

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$10,864,250
Investments	1,231,212
Receivables:	
Accounts Receivable	3,690
Due from Other Governmental Units	3,974,324
Inventory	23,526
Prepaid Expenditures	27,449
Net Other Postemployment Benefits Asset	7,722,139
Construction in Progress, Not Being Depreciated	15,754,613
Capital Assets, Not Being Depreciated - Land	519,650
Capital Assets, Net of Accumulated Depreciation/Amortization	17,803,568
Total Assets	$57,924,421
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	29,574
Related to Pensions	6,492,213
Related to Postemployment Benefits	1,360,999
Total Deferred Outflows of Resources	$7,882,786
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$65,807,207
LIABILITIES	
Accounts Payable	265,063
Arbitrage Payable	613,411
Due to Other Governmental Units	498,439
Salaries Payable	1,302,801
Accrued Expenditures	981,097
Unearned Revenue	198,333
Non-Current Liabilities - Due Within One Year	2,124,512
Non-Current Liabilities - Due in More than One Year	11,902,328
Net Pension Liability	21,966,277
Total Liabilities	$39,852,261
DEFERRED INFLOWS OF RESOURCES	
Related to State Aid Funding for Pension and Other Postemployment Benefits	1,762,350
Related to Pensions	6,663,351
Related to Other Postemployment Benefits	6,534,031
Total Deferred Inflows of Resources	$14,959,732
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$54,811,993
NET POSITION	
Net Investment in Capital Assets	21,220,707
Restricted	12,822,371
Unrestricted	(23,047,864)
TOTAL NET POSITION	$10,995,214

See notes to the financial statements.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

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	$10,603,027	$0	$3,563,410	($7,039,617)
Support Services	7,970,952	113,549	4,337	(7,853,066)
Community Services/Latchkey	154,702	177,137	0	22,435
Food Service	1,698,488	92,801	1,460,290	(145,397)
Student Activities	827,444	838,092	0	10,648
Interest - Long-Term Obligations	384,171	0	0	(384,171)
Depreciation/Amortization - Unallocated	1,126,542	0	0	(1,126,542)
Total Governmental Activities	$22,765,326	$1,221,579	$5,028,037	($16,515,710)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				2,475,815
Property Taxes, Levied for Debt Retirement				568,168
Property Taxes, Levied for Capital Projects				2,285,094
State Sources - Unrestricted				17,273,276
Interdistrict Sources				934,429
Investment Earnings				249,815
Other				86,881
Unsual or Infrequent Item				90,568
Total General Revenues				$23,964,046
Change in Net Position				$7,448,336
Net Position - Beginning of Year				3,546,878
NET POSITION - END OF YEAR				$10,995,214

See notes to the financial statements.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	2022 Bldg & Site Capital Projects	Sinking Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$4,074,362	$159,504	$1,984,126	$4,646,258	$10,864,250
Investments	96,247	1,119,386	0	15,579	1,231,212
Receivables:					
Accounts Receivable	3,690	0	0	0	3,690
Due from Other Funds	60,700	0	0	69,011	129,711
Due from Other Governmental Units	3,911,270	0	0	63,054	3,974,324
Inventory	0	0	0	23,526	23,526
Prepaid Expenditures	27,449	0	0	0	27,449
TOTAL ASSETS	$8,173,718	$1,278,890	$1,984,126	$4,817,428	$16,254,162
LIABILITIES					
Accounts Payable	$88,716	$8,655	$139,421	$28,271	$265,063
Arbitrage Payable	0	613,411	0	0	613,411
Due to Other Funds	69,011	0	0	60,700	129,711
Due to Other Governmental Units	320,571	0	29,761	148,107	498,439
Salaries Payable	1,302,133	0	0	668	1,302,801
Accrued Expenditures	891,542	0	0	436	891,978
Unearned Revenue	198,333	0	0	0	198,333
Total Liabilities	$2,870,306	$622,066	$169,182	$238,182	$3,899,736
FUND BALANCE					
Non-Spendable					
Inventory	0	0	0	23,526	23,526
Prepaid Expenditures	27,449	0	0	0	27,449
Restricted					
Food Service	0	0	0	1,530,503	1,530,503
Debt Retirement	0	0	0	750,923	750,923
Capital Projects	0	656,824	1,814,944	1,149,767	3,621,535
Committed					
Student Activities	0	0	0	828,840	828,840
Assigned					
Subsequent Year Expenditures	2,441,000	0	0	0	2,441,000
Latchkey	0	0	0	295,687	295,687
Unassigned	2,834,963	0	0	0	2,834,963
Total Fund Balance	$5,303,412	$656,824	$1,814,944	$4,579,246	$12,354,426
TOTAL LIABILITIES AND FUND BALANCE	$8,173,718	$1,278,890	$1,984,126	$4,817,428	$16,254,162

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, 2026

Total Governmental Fund Balances:		$12,354,426
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred Charges - Refunding Loss		29,574
Deferred Outflows of Resources - Related to Pensions		6,492,213
Deferred Outflows of Resources - Related to Postemployment Benefits		1,360,999
Deferred Inflows Related to State Aid Funding for Pension & Other Postemployment Benefits		(1,762,350)
Deferred Inflows of Resources - Related to Pensions		(6,663,351)
Deferred Inflows of Resources - Related to Other Postemployment Benefits		(6,534,031)
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		7,722,139
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in Progress	$15,754,613	
Capital Assets	43,513,590	
Less: Accumulated Depreciation/Amortization	(25,190,372)	
Capital Assets, Net of Accumulated Depreciation/Amortization		34,077,831
Accrued Interest on Long-Term Debt		(89,119)
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	$13,543,522	
Compensated Absences	483,318	
Total Long-Term Liabilities		(14,026,840)
Net Pension Liability		(21,966,277)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$10,995,214

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, 2026

	General Fund	2022 Bldg & Site Capital Projects	Sinking Capital Projects	**GASB 100 Change in Reporting Entity** Formally Major Food Service	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Local Sources	$2,776,098	$10,595	$637,865	$0	$3,462,794	$6,887,352
State Sources	19,890,169	0	827	0	438,707	20,329,703
Federal Sources	946,517	0	0	0	1,025,093	1,971,610
Interdistrict Sources	934,429	0	0	0	0	934,429
Total Revenues	$24,547,213	$10,595	$638,692	$0	$4,926,594	$30,123,094
EXPENDITURES						
Instruction	14,486,887	0	0	0	0	14,486,887
Student Services	1,833,727	0	0	0	0	1,833,727
Instructional Support	1,168,895	0	0	0	0	1,168,895
General Administration	448,096	0	0	0	0	448,096
School Administration	1,846,911	0	0	0	0	1,846,911
Business Administration	468,257	0	0	0	0	468,257
Operation & Maintenance	2,326,739	0	0	0	0	2,326,739
Transportation	1,051,352	0	0	0	0	1,051,352
Support Services - Other	1,402,678	0	0	0	0	1,402,678
Community Services	2,053	0	0	0	0	2,053
Food Service	0	0	0	0	1,723,018	1,723,018
Student Activities	0	0	0	0	827,444	827,444
Latch Key	0	0	0	0	217,864	217,864
Debt Retirement						
Principal	85,000	0	0	0	1,715,000	1,800,000
Interest	4,818	0	0	0	572,792	577,610
Other	0	0	0	0	1,242	1,242
Capital Outlay	0	194,177	863,896	0	134,609	1,192,682
Total Expenditures	$25,125,413	$194,177	$863,896	$0	$5,191,969	$31,375,455
Excess (Deficiency) of Revenues Over (Under) Expenditures	($578,200)	($183,582)	($225,204)	$0	($265,375)	($1,252,361)
OTHER FINANCING SOURCES (USES)						
Transfers In	60,700	0	0	0	50,006	110,706
Transfers Out	(50,006)	0	0	0	(60,700)	(110,706)
Total Other Financing Sources (Uses)	$10,694	$0	$0	$0	($10,694)	$0
UNUSUAL OR INFREQUENT ITEM						
Insurance Reimbursement	0	0	90,568	0	0	90,568
Net Change in Fund Balance	($567,506)	($183,582)	($134,636)	$0	($276,069)	($1,161,793)
FUND BALANCE - BEGINNING	5,870,918	840,406	1,949,580	1,716,782	3,138,533	13,516,219
Adjustment to Beginning Fund Balance	0	0	0	(1,716,782)	1,716,782	0
Beginning of Year - As Restated	$5,870,918	$840,406	$1,949,580	$0	$4,855,315	$13,516,219
FUND BALANCE - ENDING	$5,303,412	$656,824	$1,814,944	$0	$4,579,246	$12,354,426

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, 2026

Total net change in fund balances - governmental funds		($1,161,793)
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	($22,898)	
Capital Outlay	1,636,797	
Depreciation/Amortization Expense	(1,126,542)	
Total		487,357
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.		1,800,000
Amortization of:		
Deferred Refunding		(32,271)
Bond Premium - Net of Bond Discounts		219,512
Change in accrued interest on long-term liabilities		7,440
Change in accrued compensated absences		145,068
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		(309,722)
Pension Related Items		3,581,406
OPEB Related Items		2,711,339
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$7,448,336

See notes to the financial statements.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2026

	Private Purpose Trusts
ASSETS	
Cash and Cash Equivalents	$508,618
TOTAL ASSETS	$508,618
NET POSITION - RESTRICTED FOR TRUST ACTIVITIES	$508,618

See notes to the financial statements.

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2026

	Private Purpose Trusts
REVENUE	
Interest	$18,267
EXPENDITURES	
Scholarships	5,000
CHANGE IN NET POSITION	$13,267
NET POSITION - BEGINNING OF YEAR	495,351
NET POSITION - END OF YEAR	$508,618

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 funds:

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)

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.

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.

Capital Projects Fund – This capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities.

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 District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements. The liability for compensated absences includes salary and related benefits, where applicable.

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, 2026.

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.

2) DEPOSITS AND INVESTMENTS

As of June 30, 2026 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, 2026, $525,505 of the District's bank balance of $11,830,331 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 $11,372,868.

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.

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.

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

At year end, the maturities of investment and the credit quality ratings of debt securities, (other than the U.S. government) are as follows:

Investment Type	Fair value	Weighted Average Maturity (Years)	Standard & Poor's Rating	%
Milaf - Cash Management	$80,407	0.0027	AAAm	6.53%
Milaf - MIMAX	31,419	0.0027	AAAm	2.55%
Money Market	1,119,386	0.0027	AAAm	90.92%
TOTAL	$1,231,212			100.00%

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.

2) DEPOSITS AND INVESTMENTS (Continued)

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.

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.

MILAF-MIMAX and UMB Bank investments fair value measurement is level 2.

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) and UMB Bank . MILAF and UMB Bank are external pooled investment funds of "qualified" investments for Michigan school districts. MILAF and UMB are not regulated nor are they registered with the SEC. MILAF and UMB Bank report as of June 30, 2026, the fair value of the District's investments is the same as the value of the pooled shares.

MILAF and UMB 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	$ 508,618
Cash – District Wide	10,864,250
Investments – District Wide	1,231,212
TOTAL	$ 12,604,080

The above amounts as previously reported in Note 2:

Deposits – Including Fiduciary Funds of $508,618	$ 11,372,321
Petty Cash	547
Investments	1,231,212
TOTAL	$ 12,604,080

3) RECEIVABLES – DUE FROM OTHER GOVERNMENTAL UNITS

Receivables at June 30, 2026, 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	$ 3,574,071
Federal Grants	153,692
Other	246,561
TOTAL	$ 3,974,324

No allowance for doubtful accounts is considered necessary based on previous experience.

4) CAPITAL ASSETS

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

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

	Balance Beginning	Additions	Deductions	Balance Ending
GOVERNMENTAL ACTIVITIES				
Non-Depreciable				
Land	$519,650	$0	$0	$519,650
Construction in Progress	15,777,511	194,178	(217,076)	15,754,613
Total Non-Depreciable	$16,297,161	$194,178	($217,076)	$16,274,263
Buildings and Improvements	35,690,561	1,379,503	0	37,070,064
Buses and Other Vehicles	2,017,440	0	(159,677)	1,857,763
Furniture and Equipment	3,827,353	257,294	(18,534)	4,066,113
Totals at Historical Cost	$41,535,354	$1,636,797	($178,211)	$42,993,940
Less: Accum. Depreciation/Amortization				
Buildings and Improvements	(20,262,415)	(802,629)	0	(21,065,044)
Buses and Other Vehicles	(1,148,664)	(158,190)	159,677	(1,147,177)
Furniture and Equipment	(2,830,962)	(165,723)	18,534	(2,978,151)
Total Accum. Depreciation/ Amortization	($24,242,041)	($1,126,542)	$178,211	($25,190,372)
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - NET	$33,590,474	$704,433	($217,076)	$34,077,831

4) CAPITAL ASSETS (Continued)
Net investment in capital assets consists of the following:

Construction in Progress	$ 15,754,613
Capital Assets	43,513,590
Less: Accumulated Depreciation/Amortization	(25,190,372)
Add: Deferred Charge on Refunding	29,574
Less: Related Long-Term Liabilities	(13,543,522)
Add: Unspent 2022 Capital Projects	656,824
NET INVESTMENT IN CAPITAL ASSETS	$ 21,220,707

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, 2026.

6) GENERAL LONG-TERM DEBT
The following is a summary of long-term obligations for the District for the year ended June 30, 2026:

Governmental Activities:	Balance Beginning	Additions	Deductions	Balance Ending	Amount Due in One Year
General Obligation Bonds	$15,563,034	$0	$2,019,512	$13,543,522	$2,124,512
Compensated Absences	628,386	0	145,068	483,318	0
Total Governmental Activities	$16,191,420	$0	$2,164,580	$14,026,840	$2,124,512

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.	$ 75,000
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.	755,000
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.	11,145,000
Bond Issuance Discount	(5,323)
Bond Premium	1,573,845
TOTAL GENERAL OBLIGATION BONDS	$ 13,543,522
COMPENSATED ABSENCES	483,318
TOTAL GENERAL LONG-TERM OBLIGATIONS	$ 14,026,840

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, 2026 are as follows:

	General Obligation Bonds		
	Principal	Interest	Total
June 30, 2027	$2,124,512	$534,711	$2,659,223
June 30, 2028	1,714,835	488,600	2,203,435
June 30, 2029	1,779,835	429,000	2,208,835
June 30, 2030	1,859,835	351,250	2,211,085
June 30, 2031	1,944,835	269,500	2,214,335
June 30, 2031 - 2033	4,119,670	276,500	4,396,170
TOTAL	$13,543,522	$2,349,561	$15,893,083

Interest expense (all funds) for the year ended June 30, 2026 was $577,610.

7) INTERFUND ACTIVITY

Interfund balances at June 30, 2026 consisted of the following:

		DUE FROM			
		General Fund	Food Service	Capital Projects	Total
DUE TO	General Fund	$0	$19,011	$50,000	$69,011
	Food Service Fund	28,000	0	0	28,000
	Latchkey Fund	32,700	0	0	32,700
	TOTAL	$60,700	$19,011	$50,000	$129,711

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, 2026, consisted of the following:

		TRANSFERS OUT			
		General Fund	Food Service	Latchkey	Total
TRANSFERS IN	General Fund	$0	$60,700	$0	$60,700
	Food Service	6	0	0	6
	Capital Projects	50,000	0	0	50,000
	TOTAL	$50,006	$60,700	$0	$110,706

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	$7,722,139
Debt Retirement	750,923
Less: Accrued Interest - General Obligation Bonds	(89,119)
Food Service - Net of Pension & OPEB Obligation	1,473,717
Capital Projects and Sinking Capital Projects	2,964,711
TOTAL	$12,822,371

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, and before February 1, 2018, choose between two retirement plans: The Pension Plus Plan and a Defined Contribution Plan 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.

New employees hired between February 1, 2018 and June 30, 2024, are automatically enrolled as members in the Pension Plus 2 Plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus 2 Plan and become a qualified participant to the DC Plan; if no election is made they will default to the DC Plan. If they elect to opt out of the Pension Plus 2 Plan, their participation in the DC Plan will be retroactive to their date of hire.

Pension Reform of 2023

On November 29, 2023, the Governor signed Public Act 250 of 2023 into law. New employees hired after June 30, 2024, are automatically enrolled as members in the Pension Plus 2 Plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus 2 Plan and become a qualified participant in the DC Plan; if no election is made they will remain in the Pension Plus 2 Plan. If they elect to opt out of the Pension Plus 2 Plan, their participation in the DC Plan will be retroactive to their date of hire.

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.

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 school fiscal years immediately preceding the retirement effective date. 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.

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, 2025 were determined as of the September 30, 2022 actuarial valuations. The pension and OPEB unfunded (overfunded) actuarial accrued liabilities (UAAL) as of September 30, 2022 are amortized over a 14-year period beginning October 1, 2024 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, 2025 – September 30, 2026	15.21% - 26.08%	0.00% - 3.83%
October 1, 2024 – September 30, 2025	20.96% - 30.11%	0.00% - 1.25%

The District's pension contributions for the year ended June 30, 2026 were equal to the required contribution total. Total pension contributions were approximately $5,047,000. Of the total pension contributions approximately $4,923,000 was contributed to fund the Defined Benefit Plan and approximately $124,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2026 were equal to the required contribution total. Total OPEB contributions were approximately $305,000. Of the total OPEB contributions approximately $224,000 was contributed to fund the Defined Benefit Plan and approximately $81,000 was contributed to fund the Defined Contribution Plan.

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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).

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, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2024 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, 2024	September 30, 2025
Total Pension Liability	$95,765,499,515	$97,436,103,863
Plan Fiduciary Net Position	71,283,482,728	77,403,114,236
Net Pension Liability	$24,482,016,787	$20,032,989,627
Proportionate Share	0.10895%	0.10965%
Net Pension Liability for the District	$26,672,313	$21,966,277

For the year ended June 30, 2026, the District recognized pension expense of $1,110,972.

At June 30, 2026, 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	$788,433	($1,160,971)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	(5,249,470)
Differences Between Actual and Expected Experience	850,817	(195,652)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	232,297	(57,258)
Employer Contributions Subsequent to the Measurement Date	4,620,666	0
TOTAL	$6,492,213	($6,663,351)

$4,620,666, 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)

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
2026	($247,367)
2027	(2,289,688)
2028	(1,739,781)
2029	(514,968)
	($4,791,804)

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

The net OPEB liability (asset) was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2024 and rolled-forward using generally accepted actuarial procedures.

The District's proportion of the net OPEB liability (asset) was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-University Employers	September 30, 2024	September 30, 2025
Total Other Postemployment Benefits Liability	$ 9,991,545,923	$ 9,360,649,860
Plan Fiduciary Net Position	14,295,943,589	15,439,767,833
Net Other Postemployment Benefits Liability	$(4,304,397,666)	$ (6,079,117,973)
Proportionate Share	0.10939%	0.12703%
Net Other Postemployment Benefits Liability for the District	$(4,708,481)	$(7,722,139)

For the year ended June 30, 2026, the District recognized OPEB benefit of $(2,435,184).

At June 30, 2026, 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	$1,030,602	($81,900)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	0	(1,085,129)
Differences Between Actual and Expected Experience	0	(5,286,943)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	134,541	(80,059)
Employer Contributions Subsequent to the Measurement Date	195,856	0
TOTAL	$1,360,999	($6,534,031)

$195,856, 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.

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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
2026	($1,400,384)
2027	(1,424,192)
2028	(1,312,339)
2029	(848,697)
2029	(293,708)
2030	(89,568)
	($5,368,888)

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 adjusted for mortality improvements using projection scale MP-2021 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 - 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.

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.

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions (Continued)

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.75% for year one and graded to 3.50% in year fifteen. Post 65, 6.50% for year one and graded to 3.50% 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, 2025 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Target Allocation*		
Investment Category	**Pension**	**OPEB**	**Long-term Expected Real Rate of Return***
Domestic Equity Pools	21.0%	16.0%	5.8%
International Equity Pools	14.0%	11.0%	5.6%
Private Equity Pools	16.0%	16.0%	9.3%
Real Estate and Infrastructure Pools	8.0%	5.0%	7.0%
Fixed Income Pools	15.0%	26.0%	2.5%
Absolute Return Pools	13.0%	15.0%	4.4%
Real Return/Opportunistic Pools	9.0%	7.0%	7.0%
Short Term Investment Pools	4.0%	4.0%	1.3%
Total	**100.0%**	**100.0%**	

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

Rate of Return - For fiscal year ended September 30, 2025, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 9.81% and 9.24%, 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 was based on the assumption that in the future, 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.

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions (Continued)

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 single discount rate was based on the assumption that in the future, 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	$34,663,997	$21,966,277	$11,390,702

Sensitivity of the Net OPEB Liability (Asset) 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 (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefit		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net other postemployment benefit liability (asset)	$(6,653,112)	$(7,722,139)	$(8,657,770)

Sensitivity to the Net OPEB Liability (Asset) 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 (asset)	$(8,649,233)	$(7,722,139)	$(6,745,722)

11) PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 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, 2026 or any of the prior 3 years.

13) UNUSUAL OR INFREQUENT ITEM

For the fiscal year ended June 30, 2026, the District recognized an insurance recovery of $90,568 related to damage to the elementary school gym floor. The insurance recovery was recognized in the Sinking Fund and is reported as an unusual or infrequent item in the governmental fund financial statements.

14) 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, 2026. Approximately $657,000 is restricted and recorded as fund balance in the 2022 building and site fund.

15) CHANGES IN ACCOUNTING PRINCIPLE

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

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

a. Management's discussion and analysis (MD&A)
b. Unusual or infrequent items
c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements should be presented after the fund financial statements;
e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. This Statement also requires additional disclosures for capital assets held for sale.

16) UPCOMING ACCOUNTING PRONOUNCEMENTS

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

17) ADJUSTMENTS TO BEGINNING FUND BALANCES/NET POSITION

During the fiscal year changes to beginning fund balance/net position are as follows:

	Reporting Units Affected by Adjustments and Restatements of Beginning Balances					
	General Fund	2022 Capital Projects	Food Service	Sinking Capital Projects	Nonmajor Governmental Funds	Total
Fund Balance, As Previously Reported	$5,870,918	$840,406	$1,716,782	$1,949,580	$3,138,533	$13,516,219
Change from Major to Nonmajor Fund	0	0	(1,716,782)	0	1,716,782	0
Fund Balance, as Restated	$5,870,918	$840,406	$0	$1,949,580	$4,855,315	$13,516,219

REQUIRED SUPPLEMENTARY

INFORMATION

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original and Final Budget	Actual	Variance With Final Budget
	Original	Final			
REVENUES					
Local Sources	$2,642,600	$2,753,100	$110,500	$2,776,098	$22,998
State Sources	18,430,600	19,700,500	1,269,900	19,890,169	189,669
Federal Sources	817,600	858,500	40,900	946,517	88,017
Total Revenues	$21,890,800	$23,312,100	$1,421,300	$23,612,784	$300,684
EXPENDITURES					
Instruction	14,672,600	14,756,000	83,400	14,486,887	269,113
Student Services	2,005,000	1,859,300	(145,700)	1,833,727	25,573
Instructional Support	1,186,700	1,183,900	(2,800)	1,168,895	15,005
General Administration	471,500	471,300	(200)	448,096	23,204
School Administration	1,855,000	1,929,000	74,000	1,846,911	82,089
Business Administration	513,000	521,600	8,600	468,257	53,343
Operation & Maintenance	2,627,400	2,496,100	(131,300)	2,326,739	169,361
Transportation	1,240,500	1,140,600	(99,900)	1,051,352	89,248
Support Services - Other	1,500,500	1,482,500	(18,000)	1,402,678	79,822
Community Services	0	0	0	2,053	(2,053)
Total Expenditures	$26,072,200	$25,840,300	($231,900)	$25,035,595	$804,705
Excess of Revenues Over (Under) Expenditures	($4,181,400)	($2,528,200)	$1,653,200	($1,422,811)	$1,105,389
OTHER FINANCING SOURCES (USES)					
Other Financing Sources	999,300	668,400	(330,900)	995,129	326,729
Other Financing Uses	(141,200)	(141,400)	(200)	(139,824)	1,576
Total Other Financing Sources (Uses)	$858,100	$527,000	($331,100)	$855,305	$328,305
Net Change in Fund Balance	($3,323,300)	($2,001,200)	$1,322,100	($567,506)	$1,433,694
FUND BALANCE - BEGINNING OF YEAR				5,870,918	
FUND BALANCE - END OF YEAR				$5,303,412	

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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Reporting unit's proportion of net pension liability (%)	0.01097%	0.10894%	0.10850%	0.10852%	0.10935%	0.10769%	0.10950%	0.11303%	0.11536%	0.11939%
Reporting unit's proportionate share of net pension liability	$21,966,277	$26,672,313	$35,118,894	$40,813,133	$25,888,318	$36,994,699	$36,261,619	$33,978,687	$29,893,916	$29,786,020
Reporting unit's covered-employee payroll	$11,933,686	$11,361,439	$10,679,299	$10,478,869	$9,947,484	$9,446,618	$9,395,364	$9,489,313	$9,470,792	$10,015,791
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	184.07%	234.76%	328.85%	389.48%	260.25%	391.62%	385.95%	358.07%	315.64%	297.39%
Plan fiduciary net position as a percentage of total pension liability	79.44%	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%

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)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contributions	$4,566,975	$4,554,895	$3,910,651	$3,693,586	$3,283,273	$2,959,622	$2,908,822	$3,077,816	$2,705,735	$2,688,001
Contributions in relation to statutorily required contributions	4,566,975	4,554,895	3,910,651	3,693,586	3,283,273	2,959,622	2,908,822	3,077,816	2,705,735	2,688,001
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Reporting unit's covered-employee payroll	$12,576,356	$11,874,244	$11,158,280	$11,063,964	$10,346,212	$9,734,567	$9,365,943	$9,394,993	$9,500,752	$9,485,873
Contributions as a percentage of covered-employee payroll	36.31%	38.36%	35.05%	33.38%	31.73%	30.40%	31.06%	32.76%	28.48%	28.34%

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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Reporting unit's proportion of net OPEB liability (%)	0.01270%	0.10938%	0.10829%	0.10925%	0.11118%	0.10715%	0.10780%	0.11166%	0.11523%
Reporting unit's proportionate share of net OPEB liability	($7,722,139)	($4,708,481)	($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	$11,933,686	$11,361,439	$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	-64.71%	-41.44%	-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)	164.94%	143.08%	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)

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	$119,466	$909,237	$843,569	$832,227	$825,350	$757,044	$740,176	$724,776	$897,082
Contributions in relation to statutorily required contributions	119,466	909,237	843,569	832,227	825,350	757,044	740,176	724,776	897,082
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0
Reporting unit's covered-employee payroll	$12,576,356	$11,874,244	$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	0.95%	7.66%	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.

NOTE 1 - Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. 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:

a. 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.

b. Public hearings are conducted to obtain taxpayer comments.

c. 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.

d. 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.

e. The final budget was approved prior to June 30, 2026 year-end.

NOTE 2 - BUDGETARY COMPARISON

Significant variances between original and final budget:

	Variance	Explanation
REVENUES		
State Sources	$1,269,900	The State of Michigan did not have a budget in place, leaving the district to use best estimates for not only per pupil funding, but all categoricals as well. Unrestricted state aid increased over one million dollars from early June 2025 to early June 2026. Also, the UAAL allocation from the State increased over $650,000 within that same timeline. The district received several grants during the school year (27k, 27L(4) and 27L(2)). Yale Public Schools had no indication these grants were being considered at the time the original budget was adopted.

NOTE 2 - BUDGETARY COMPARISON (Continued)

OTHER FINANCING SOURCES (USES)		
Other Financing Sources	$ (330,900)	Other financing sources mainly come from St. Clair County RESA programs and services. For the original budget, I used prior year information to estimate the special education tax and GSRP grant costs (although the program tripled in size this year) for the original budget. During the year additional information for PA18 allocations, IDEA flowthrough grants, Blue Water Middle College participation and GSRP expenditures solidified, allowing the final budget to come closer to actual costs.

Significant variances between final budget and actual:

	Variance	Explanation
OTHER FINANCING SOURCES (USES)		
Other Financing Sources	$ 326,729	The one line causing the significant variance (final budget to actual) for fiscal year 2025-2026 - Other Financing Sources was the Great Start Readiness Program costs. That program tripled in size during the 2025-2026 school year, and spending for this program was extraordinarily high. Many costs that were attributable to FY2526 were not presented until very close to the end of the fiscal year, well after the budget had been adopted.

NOTE 3 - PENSION INFORMATION

Benefit Changes

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

Changes in Assumptions

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

- 2023 - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021, actuarial valuation decreased by 0.80 percentage points.
- 2019 - The discount rate used in the September 30, 2018, actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017, actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016, actuarial valuation decreased by 0.50 percentage points.

NOTE 4 - OPEB INFORMATION

Benefit Changes

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

Changes in Assumptions

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

- 2025 - The health care cost trend rate used in the September 30, 2024, actuarial valuation increased by 0.50 percentage points for members under 65. This increased the plan's total OPEB liability by $267 million in 2025.
- 2024 - The health care cost trend rate used in the September 30, 2023, actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage points for members over 65.
- 2023 - The health care cost trend rate used in the September 30, 2022, actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021, actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional $1.1 billion in 2022.
- 2021 - The health care cost trend rate used in the September 30, 2020, actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by $1.3 billion in 2021.
- 2020 - The health care cost trend rate used in the September 30, 2019, actuarial valuation decreased by 0.50 percentage points and actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by $1.8 billion in 2020.
- 2019 - The discount rate used in the September 30, 2018, actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional $1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017, actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by $1.4 billion in 2018.

ADDITIONAL SUPPLEMENTARY INFORMATION

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2026

	Special Revenue Funds	Debt Retirement Funds	Capital Projects Fund	Total Other Governmental Funds
ASSETS				
Cash and Cash Equivalents	$2,648,415	$883,451	$1,114,392	$4,646,258
Investments	0	15,579	0	15,579
Receivables:				
Due from Other Funds	19,011	0	50,000	69,011
Due from Other Governmental Units	63,054	0	0	63,054
Inventory	23,526	0	0	23,526
TOTAL ASSETS	$2,754,006	$899,030	$1,164,392	$4,817,428
LIABILITIES				
Accounts Payable	$13,646	0	$14,625	$28,271
Due to Other Funds	60,700	0	0	60,700
Due to Other Governmental Units	0	148,107	0	148,107
Salaries Payable	668	0	0	668
Accrued Expenditures	436	0	0	436
Total Liabilities	$75,450	$148,107	$14,625	$238,182
FUND BALANCE				
Non-Spendable				
Inventory	23,526	0	0	23,526
Restricted				
Food Service	1,530,503	0	0	1,530,503
Debt Retirement	0	750,923	0	750,923
Capital Projects	0	0	1,149,767	1,149,767
Committed				
Student Activities	828,840	0	0	828,840
Assigned				
Latchkey	295,687	0	0	295,687
Total Fund Balance	$2,678,556	$750,923	$1,149,767	$4,579,246
TOTAL LIABILITIES AND FUND BALANCE	$2,754,006	$899,030	$1,164,392	$4,817,428

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2026

	Special Revenue Funds	Debt Retirement Funds	Capital Projects Funds	Total Other Governmental Funds
REVENUES				
Local Sources	$1,152,607	$2,310,187	$0	$3,462,794
State Sources	435,197	3,510	0	438,707
Federal Sources	1,025,093	0	0	1,025,093
Total Revenues	$2,612,897	$2,313,697	$0	$4,926,594
OTHER FINANCING SOURCES (USES)				
Transfers In	6	0	50,000	50,006
Transfers Out	(60,700)	0	0	(60,700)
Total Other Financing Sources (Uses)	($60,694)	$0	$50,000	($10,694)
Total Revenues & Other Financing Sources	$2,552,203	$2,313,697	$50,000	$4,915,900
EXPENDITURES				
Food Service	1,723,018	0	0	1,723,018
Student Activities	827,444	0	0	827,444
Latch Key	217,864	0	0	217,864
Debt Service	0	2,289,034	0	2,289,034
Capital Outlay	0	0	134,609	134,609
Total Expenditures	$2,768,326	$2,289,034	$134,609	$5,191,969
Net Change in Fund Balance	($216,123)	$24,663	($84,609)	($276,069)
FUND BALANCE - BEGINNING OF YEAR	2,894,679	726,260	1,234,376	4,855,315
FUND BALANCE - END OF YEAR	$2,678,556	$750,923	$1,149,767	$4,579,246

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2026

	Food Service	Student Activities	Latch Key	Total
ASSETS				
Cash and Cash Equivalents	$1,490,162	$828,840	$329,413	$2,648,415
Due from Other Funds	19,011	0	0	19,011
Due from Other Governmental Units	63,054	0	0	63,054
Inventory	23,526	0	0	23,526
TOTAL ASSETS	$1,595,753	$828,840	$329,413	$2,754,006
LIABILITIES				
Accounts Payable	$13,602	$0	$44	$13,646
Due to Other Funds	28,000	0	32,700	60,700
Salaries Payable	0	0	668	668
Accrued Expenditures	122	0	314	436
Total Liabilities	$41,724	$0	$33,726	$75,450
FUND BALANCE				
Non-Spendable				
Inventory	23,526	0	0	23,526
Restricted				
Food Service	1,530,503	0	0	1,530,503
Committed	0	828,840	0	828,840
Assigned	0	0	295,687	295,687
Total Fund Balance	$1,554,029	$828,840	$295,687	$2,678,556
TOTAL LIABILITIES AND FUND BALANCE	$1,595,753	$828,840	$329,413	$2,754,006

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2026

	Food Service	Student Activities	Latch Key	Total
REVENUES				
Local Sources				
Cafeteria Sales	$92,801	$0	$0	$92,801
Community Services	0	0	177,137	177,137
Student Activities	0	838,092	0	838,092
Earnings on Investments and Deposits	34,393	0	9,395	43,788
Other Local Revenues	775	0	14	789
Total Local Sources	$127,969	$838,092	$186,546	$1,152,607
State Sources	435,197	0	0	435,197
Federal Sources	1,025,093	0	0	1,025,093
Total Revenues	$1,588,259	$838,092	$186,546	$2,612,897
OTHER FINANCING SOURCES				
Transfers from Other Funds	6	0	0	6
Total Revenues and Other Financing Sources	$1,588,265	$838,092	$186,546	$2,612,903
EXPENDITURES				
Salaries - Professional	0	0	59,495	59,495
Salaries - Non-Professional	53,095	0	80,276	133,371
Insurance	147	0	0	147
Fica, Retirement, Etc.	19,953	0	66,673	86,626
Other Benefits	0	0	249	249
Purchased Services	423,462	0	8,596	432,058
Supplies and Materials	585,183	0	2,093	587,276
Capital Outlay	630,263	0	0	630,263
Other	10,915	827,444	482	838,841
Total Expenditures	$1,723,018	$827,444	$217,864	$2,768,326
OTHER FINANCING USES				
Transfers to Other Funds	28,000	0	32,700	60,700
Total Expenditures and Other Financing Uses	$1,751,018	$827,444	$250,564	$2,829,026
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	($162,753)	$10,648	($64,018)	($216,123)
FUND BALANCE - BEGINNING OF YEAR	1,716,782	818,192	359,705	2,894,679
FUND BALANCE - END OF YEAR	$1,554,029	$828,840	$295,687	$2,678,556

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING BALANCE SHEET
DEBT RETIREMENT FUNDS
JUNE 30, 2026

	2015 Debt	2022 Debt	TOTALS
ASSETS			
Cash and Cash Equivalents	$268,476	$614,975	$883,451
Investments	15,579	0	15,579
TOTAL ASSETS	$284,055	$614,975	$899,030
LIABILITIES			
Due to Other Governmental Units	$44,432	$103,675	$148,107
FUND BALANCE			
Restricted - Debt Retirement	239,623	511,300	750,923
TOTAL LIABILITIES AND FUND BALANCE	$284,055	$614,975	$899,030

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT RETIREMENT FUNDS
YEAR ENDED JUNE 30, 2026

	2015 Debt	2022 Debt	Total After Interfund Eliminations
REVENUES			
Local Sources			
Property Tax Levy	$685,528	$1,599,566	$2,285,094
Earnings on Investments and Deposits	11,114	13,979	25,093
Total Local Sources	$696,642	$1,613,545	$2,310,187
State Sources	1,343	2,167	3,510
Total Revenues	$697,985	$1,615,712	$2,313,697
EXPENDITURES			
Redemption of Bonds	760,000	955,000	1,715,000
Interest on Bonded Debt	40,905	531,887	572,792
Other Debt Retirement Expense	572	670	1,242
Total Expenditures	$801,477	$1,487,557	$2,289,034
EXCESS REVENUES OVER (UNDER) EXPENDITURES	($103,492)	$128,155	$24,663
FUND BALANCE - BEGINNING OF YEAR	343,115	383,145	726,260
FUND BALANCE - END OF YEAR	$239,623	$511,300	$750,923

SCHEDULE 1

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
PRIVATE PURPOSE TRUSTS
STATEMENT OF REVENUE AND EXPENDITURES
YEAR ENDED JUNE 30, 2026

THELMA STEWART SCHOLARSHIP FUND	
BALANCE - JULY 1, 2025	$333,539
REVENUE	
Interest	12,878
EXPENDITURES	
Scholarship Awards	4,000
BALANCE - JUNE 30, 2026	$342,417
BETTE GUILLIANI SCHOLARSHIP FUND	
BALANCE - JULY 1, 2025	$32,043
REVENUE	
Interest	378
EXPENDITURES	
Scholarships	0
BALANCE - JUNE 30, 2026	$32,421
EVA GRAHAM SCHOLARSHIP FUND	
BALANCE - JULY 1, 2025	$129,769
REVENUE	
Interest	5,011
EXPENDITURES	
Scholarships	1,000
BALANCE - JUNE 30, 2026	$133,780
ALL SCHOLARSHIP FUNDS	
BALANCE - JUNE 30, 2026	$508,618

SCHEDULE 2

YALE PUBLIC SCHOOLS - YALE, MICHIGAN
GENERAL OBLIGATION SERIAL BONDS
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2026

	2012 SCHOOL IMPROVEMENT BONDS				
Payment Date	Principal Requirement	Rate	May Interest Requirement	Nov Interest Requirement	Total Requirement
2026-2027	$75,000	4.10%	$0	$1,538	$76,538

	2015 DEBT REFUNDING BONDS				
Payment Date	Principal Requirement	Rate	May Interest Requirement	Nov Interest Requirement	Total Requirement
2026-2027	$755,000	2.70%	$10,193	$10,193	$775,386

	2022 SCHOOL BUILDING BONDS				
Payment Date	Principal Requirement	Rate	May Interest Requirement	Nov Interest Requirement	Total Requirement
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	$11,145,000		$1,163,819	$1,163,819	$13,472,638

Lewis & Knopf CPAs, PC

October 6, 2026

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, 2026. 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 June 17, 2026. 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 2025-2026 year. During the fiscal year, the District implemented Governmental Accounting Standards Board Statement No. 103, *Financial Reporting Model Improvements* and No. 104 *Disclosure of Certain Capital Assets*. 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 October 6, 2026.

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 $1,180,000 in excess food service fund balance at June 30, 2026.

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.
CERTIFIED PUBLIC ACCOUNTANTS

Lewis & Knopf CPAs, PC