

Grosse Ile Township Schools

Financial Statements

June 30, 2021



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Grosse Ile Township Schools
Members of the Board of Education and Administration
June 30, 2021

Members of the Board of Education

Dr. Daniel Murphy, President

Suzanne Sassack, Vice President

Frank DeMare III, Secretary

John Gatti, Treasurer

Nadia Tonova, Trustee

Jeffrey Anderson, Trustee

Amy Brown, Trustee

Administration

Valerie Orr, Superintendent

Linda Drzyzga, Business Manager



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Independent Auditors' Report

Management and the Board of Education
Grosse Ile Township Schools
Grosse Ile, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grosse Ile Township Schools, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Grosse Ile Township Schools, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard

As described in Note 1 to the financial statements, during the year ended June 30, 2021, the School District adopted GASB Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grosse Ile Township Schools' basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents, 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. Such 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 other supplementary information, as identified in the table of contents, 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 September 17, 2021 on our consideration of Grosse Ile Township 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 School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grosse Ile Township Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Ann Arbor, MI
September 17, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

Grosse Ile Township Schools (the "District"), a K-12 School District located in Wayne County, Michigan, in continuing its implementation of the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34) with the enclosed financial statements. The Management's Discussion & Analysis section, a requirement of GASB 34, is intended to be Grosse Ile Township Schools' discussion and analysis of the financial results for the fiscal year ended June 30, 2021.

Generally accepted accounting principles (GAAP) according to GASB 34 now requires the reporting of two types of financial statements:

- Fund Financial Statements – The format we used prior to fiscal year ended June 30, 2003
- District-Wide Financial Statements – A revised format required under GASB 34 since June 30, 2003

Fund Financial Statements

The fund level financial statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual". In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds including the Debt Fund, Capital Project Funds, Sinking Fund and the Special Revenue Funds that reflect the Food Service/Cafeteria operation, and Student and School Activities Fund that collects and disburses money for specific activities..

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payment of principal and interest on long-term obligations are recorded as expenditures. Future years' debt obligations are not recorded.

District-Wide Financial Statements

The district-wide financial statements are full accrual basis statements. They report all of the District's assets and liabilities, both short and long term, whether they are "currently available" or not. For example, assets that are restricted for use in the Debt Fund solely for the payment of long-term principal and interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the statement of net assets of the district-wide financial statements.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

Summary of Net Position:

The following summarizes the net position as of June 30, 2021 and 2020:

	June 30,	
	2021	2020
Assets		
Current and other assets	\$ 10,822,666	\$ 8,966,228
Capital assets, net	39,452,088	40,572,414
Deferred outflows of resources	<u>12,835,165</u>	<u>14,326,627</u>
Total assets	<u>63,109,919</u>	<u>63,865,269</u>
Liabilities		
Current liabilities	4,965,963	4,162,210
Noncurrent liabilities outstanding	67,453,740	70,084,072
Deferred inflows of resources	<u>6,835,004</u>	<u>6,763,922</u>
Total liabilities	<u>79,254,707</u>	<u>81,010,204</u>
Net Position		
Net investment in capital assets	21,333,668	20,110,229
Restricted for debt service	483,543	480,222
Restricted for capital projects	250,329	267,439
Unrestricted	<u>(38,212,328)</u>	<u>(38,002,825)</u>
Total net position	<u>\$ (16,144,788)</u>	<u>\$ (17,144,935)</u>

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

The District's net position was \$(16,144,788) at June 30, 2021. Capital assets, net of related debt totaling \$21,333,668 compares the cost, less depreciation, of the District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use that net position for day-to-day operations.

The \$(38,212,328) in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The unrestricted net position balance enables the District to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

Analysis of Financial Position:

During the fiscal year ended June 30, 2021, the District's net position increased by \$142,518. The significant factors affecting net position during the year are discussed below:

General Fund Operations

The District's revenues exceeded expenditures from General Fund operations by \$173,279 for the fiscal year ended June 30, 2021. See the section entitled **Results of Operations**, below for further discussion of General Fund operations.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

Debt, Principal Payments

The District made principal payments on bonded, long-term debt obligations that reduced the amount of the District's long-term liabilities as follows:

2015 Refunding Bonds

Principal balance, June 30, 2020	\$ 7,185,000
Principal payments, May 1, 2021	<u>(600,000)</u>
Principal balance, June 30, 2021	<u>\$ 6,585,000</u>

2016 Building and Site Bonds

Principal balance, June 30, 2020	\$ 10,040,000
Principal payments, May 1, 2021	<u>(415,000)</u>
Principal balance, June 30, 2021	<u>\$ 9,625,000</u>

2018 Refunding Bonds

Principal balance, June 30, 2020	\$ 2,305,000
Principal payments, May 1, 2021	<u>(1,160,000)</u>
Principal balance, June 30, 2021	<u>\$ 1,145,000</u>

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

Net Investment in Capital Assets

The District's net investment in capital assets decreased by \$986,082 during the fiscal year. This is summarized as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets	\$ 71,745,459	\$ 1,596,088	\$ 1,058,204	\$ 72,283,343
Less: accumulated depreciation	<u>31,173,045</u>	<u>1,663,210</u>	<u>5,000</u>	<u>32,831,255</u>
Net investment capital outlay	<u>\$ 40,572,414</u>	<u>\$ (67,122)</u>	<u>\$ 1,053,204</u>	<u>\$ 39,452,088</u>

In May 2020, the Grosse Ile Township voters approved a replacement of the $\frac{3}{4}$ of one mill Sinking Fund millage for a one mill Sinking Fund millage levied each year for five years to be used for school building and site purposes as well as the acquisition or upgrading of technology.

In May 2016, Grosse Ile Township voters approved a \$10,655,000 general obligation bond issue to remodel and equip buildings, acquire buses, purchase technology and improve athletic facilities.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

Results of Operations:

For the fiscal years ended June 30, 2021 and 2020 the District-wide results of operation were as follows:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue		
General revenue		
Property taxes levied for general operations	\$ 2,091,268	\$ 2,172,167
Property taxes levied for debt service	2,861,682	2,870,060
Property taxes levied for sinking fund	635,015	463,374
State of Michigan unrestricted foundation aid	16,559,294	15,712,484
Other general revenue	<u>981,735</u>	<u>961,537</u>
Total general revenue	23,128,994	22,179,622
Operating grants	2,134,774	1,531,201
Charges for services	<u>400,546</u>	<u>448,671</u>
Total revenue	<u>25,664,314</u>	<u>24,159,494</u>
Expenses		
Instruction and instructional support	13,667,206	13,222,489
Support services	8,344,958	7,585,816
Athletics	591,334	610,257
Student and school activities	218,203	-
Cafeteria	489,021	617,194
Community services	8,621	3,541
Interest on long-term debt	539,243	665,112
Depreciation - unallocated	<u>1,663,210</u>	<u>1,624,813</u>
Total expense	<u>25,521,796</u>	<u>24,329,222</u>
Change in net position	142,518	(169,728)
Beginning net position, as restated	<u>(16,287,306)</u>	<u>(16,975,207)</u>
Ending of net position	<u>\$ (16,144,788)</u>	<u>\$ (17,144,935)</u>

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

State of Michigan Unrestricted Aid

The State of Michigan's Foundation Payment to school districts is determined with the following variables:

- State of Michigan State Aid Act per student foundation allowance.
- For the 2020-2021 school year only, a new "super blend" was used to determine student membership. The 90/10 blend for 2019-20 multiplied by .75 was added to the 90/10 blend for 2020-21 multiplied by .25 to determine the super blend used for 2020-21 membership.
- The District's Homestead and Non-Homestead tax levies.

Per Student Foundation Allowance

Annually, the State of Michigan establishes the per student foundation allowance. The Grosse Ile Township Schools' foundation allowance was \$8,834 for the 2020-2021 school year. This amounted to a \$0 increase over the District's foundation allowance of \$8,834 per student in 2019-2020.

Student Enrollment

The District's student enrollment for school year 2020-2021 was 1,763 students. The following summarizes the enrollments for the past five years:

	<u>Student FTE</u>	<u>FTE Decrease Prior Year</u>
2020-2021	1,763	(16)
2019-2020	1,778	(44)
2018-2019	1,822	(21)
2017-2018	1,843	(65)
2016-2017	1,908	17

At year-end June 30, 2021, preliminary student enrollment counts for 2021-2022 indicate that enrollment may decrease by about 113 students from the 2020-2021 state "super blend" membership formula.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

Property Taxes Levied for General Operations (General Fund Homestead and Non-Homestead Taxes)

In 2020-2021, the District levied 1.7369 mills on Homestead (Residential) properties and 18.0000 mills on Non-Homestead (Business) properties for General Fund operations. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's consumer price index increase or 5 percent, whichever is less. At the time of sale, a property's taxable valuation is readjusted to the state equalized value, which theoretically, is 50 percent of the market value.

The District's Homestead and Non-Homestead property revenue for the 2020-2021 fiscal year was \$2,091,268. The Tax Levy decreased by 3.72 percent less than prior year.

The following summarizes the District's combined Homestead and Non-Homestead tax levies for the past five years:

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>% Increase/Decrease From Prior Year</u>
2020-2021	\$ 2,091,268	-3.72%
2019-2020	2,172,167	-1.64%
2018-2019	2,208,440	-1.34%
2017-2018	2,238,450	-2.71%
2016-2017	2,300,783	-0.01%

Debt Fund Property Taxes

The District's debt fund levy, which is used to pay the principal and interest on bond obligations, is based on the taxable valuation of all properties, both Homestead and Non-Homestead.

For 2020-2021, the District's debt millage levy was 4.47970 mills which generated revenue of \$2,861,682.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

Food Sales (School Lunch Program)

The District's food service revenue decreased by \$230,674 to \$237,628 from the prior school year. The decrease was due primarily to the reduction in a la carte, adult, and catering food sales. Also, due to the federal grant, all student lunches were free with a reimbursement rate less than the district costs to provide student lunches.

General Fund Budget – Actual Revenues & Expenditures

General Fund Revenue – 5 Year Comparison of Budget to Actual Results

<u>Fiscal Year</u>	<u>Revenues Original Budget</u>	<u>Revenues Final Budget</u>	<u>Revenues Final Actual</u>	<u>Variance Revenues Actual vs. Original Budget</u>	<u>Variance Revenues Actual vs. Final Budget</u>
2020-2021	\$ 19,211,855	\$ 21,641,864	\$ 21,662,466	12.76%	0.10%
2019-2020	20,039,782	19,336,178	20,325,453	1.43%	5.12%
2018-2019	19,667,900	20,499,097	20,824,071	5.88%	1.59%
2017-2018	20,021,700	20,187,763	20,173,780	0.76%	-0.07%
2016-2017	19,679,630	20,626,813	20,808,888	5.74%	0.88%

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

General Fund Expenditures – 5 Year Comparison of Budget to Actual Results

<u>Fiscal Year</u>	<u>Expenditures Original Budget</u>	<u>Expenditures Final Budget</u>	<u>Expenditures Final Actual</u>	<u>Variance Expenditures Actual vs. Original Budget</u>	<u>Variance Expenditures Actual vs. Final Budget</u>
2020-2021	\$ 21,085,780	\$ 22,471,584	\$ 21,489,187	1.91%	-4.37%
2019-2020	20,559,393	21,035,610	19,724,783	-4.06%	-6.23%
2018-2019	19,571,341	20,400,288	19,559,134	-0.06%	-4.12%
2017-2018	19,316,165	19,907,368	19,032,826	-1.47%	-4.39%
2016-2017	19,464,958	19,858,344	19,240,026	-1.16%	-3.11%

Original vs. Final Budget

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year.

The Grosse Ile Township School District amends its budget as necessary during the school year. For the fiscal year June 30, 2021, the budget was amended in June 2021. The June 2021 budget amendment was the final budget for the fiscal year.

General Fund Revenues

Total Revenues - Original Budget	\$ 19,211,855	100.00%
Total Revenues - Final Budget	<u>21,641,864</u>	<u>112.65%</u>
Increase in Budgeted Revenues	<u>\$ 2,430,009</u>	<u>12.65%</u>

The District's final, actual General Fund revenues differed from the final budget by (\$20,602), a variance of (0.10) percent from the final budget.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

The District had higher revenues than budgeted for the following:

- Federal and restricted programs
- State-aid revenues

The actual revenue for state sources of \$16,523,237 exceeds final budget of \$16,206,273 by \$316,964 because of the changes in State foundation allowance, including increases in MPSERS defined contribution plan and normal offsets, subsequent to the final budget projections adopted by the District.

General Fund Expenditures

The District's budget for expenditures changed as follows during the year:

Total Expenditures - Original Budget	\$ 21,085,780	100.00%
Total Expenditures - Final Budget	<u>22,471,584</u>	<u>106.57%</u>
Increase in Budgeted Expenditures	<u>\$ 1,385,804</u>	<u>6.57%</u>

The District's final, actual General Fund expenditures differed from the final budget, by (\$982,397) a variance of (4.37) percent from the final budget.

The District had lower expenditures than budgeted for the following:

- Hourly wages and healthcare costs
- Contracted Services
- Supplies
- Operations and maintenance costs

Contacting the District's Financial Management

This financial report is intended to provide our citizens and taxpayers with a general overview of the District's finances. If you have questions about this report or would like additional information, contact the Business Office, Grosse Ile Township School District.

BASIC FINANCIAL STATEMENTS

Grosse Ile Township Schools
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash	\$ 1,538,704
Investments	5,663,239
Accounts receivable	25,088
Due from other governmental units	3,457,706
Inventory	6,070
Prepaid items	131,859
Capital assets not being depreciated	291,933
Capital assets - net of accumulated depreciation	39,160,155
Total assets	50,274,754
Deferred Outflows of Resources	
Deferred amount relating to net pension liability	9,206,382
Deferred amount relating to net OPEB liability	3,173,765
Deferred amount on debt refunding	455,018
Total deferred outflows of resources	12,835,165
Total assets and deferred outflows of resources	63,109,919

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Statement of Net Position
June 30, 2021

	Governmental Activities
Liabilities	
Accounts payable	975,752
State aid anticipation note payable	1,160,000
Due to other governmental units	289,532
Payroll deductions and withholdings	68,357
Accrued expenditures	940,651
Accrued salaries payable	1,141,640
Unearned revenue	390,031
Long-term liabilities	
Net pension liability	41,895,755
Net OPEB liability	6,566,088
Debt due within one year	2,339,387
Debt due in more than one year	<u>16,652,510</u>
 Total liabilities	 <u>72,419,703</u>
Deferred Inflows of Resources	
Deferred amount relating to net pension liability	1,895,182
Deferred amount relating to net OPEB liability	<u>4,939,822</u>
 Total deferred inflows of resources	 <u>6,835,004</u>
 Total liabilities and deferred inflows of resources	 <u>79,254,707</u>
Net Position	
Net investment in capital assets	21,333,668
Restricted for	
Debt service	483,543
Capital projects	250,329
Unrestricted	<u>(38,212,328)</u>
 Total net position	 <u>\$ (16,144,788)</u>

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Governmental activities				
Instruction	\$ 13,667,206	\$ 6,640	\$ 1,264,250	\$ (12,396,316)
Supporting services	8,344,958	4,800	692,200	(7,647,958)
Athletics	591,334	127,160	19,588	(444,586)
Student and school activities	218,203	219,115	-	912
Food services	489,021	42,831	158,736	(287,454)
Community services	8,621	-	-	(8,621)
Interest and fiscal charges on long-term debt	539,243	-	-	(539,243)
Depreciation - unallocated	1,663,210	-	-	(1,663,210)
	<u>\$ 25,521,796</u>	<u>\$ 400,546</u>	<u>\$ 2,134,774</u>	<u>(22,986,476)</u>
Total governmental activities				
General revenues				
				2,091,268
				2,861,682
				635,015
				16,559,294
				13,156
				7,230
				767,917
				193,432
			Total general revenues	23,128,994
			Change in net position	142,518
			Net position - beginning, as restated	(16,287,306)
			Net position - ending	\$ (16,144,788)

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Governmental Funds
Balance Sheet
June 30, 2021

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 1,043,276	\$ -	\$ 495,428	\$ 1,538,704
Investments	4,269,174	514,315	879,750	5,663,239
Accounts receivable	21,275	-	3,813	25,088
Due from other funds	15,881	67,336	41,527	124,744
Due from other governmental units	3,448,359	-	9,347	3,457,706
Inventory	-	-	6,070	6,070
Prepaid items	131,859	-	-	131,859
Total assets	<u>\$ 8,929,824</u>	<u>\$ 581,651</u>	<u>\$ 1,435,935</u>	<u>\$ 10,947,410</u>
Liabilities				
Accounts payable	\$ 711,059	\$ -	\$ 264,693	\$ 975,752
State aid anticipation note payable	1,160,000	-	-	1,160,000
Due to other funds	108,863	-	15,881	124,744
Due to other governmental units	289,532	-	-	289,532
Payroll deductions and withholdings	68,357	-	-	68,357
Accrued expenditures	416,759	-	-	416,759
Accrued payroll and related liabilities	1,141,640	-	-	1,141,640
Unearned revenue	353,538	-	36,493	390,031
Total liabilities	<u>4,249,748</u>	<u>-</u>	<u>317,067</u>	<u>4,566,815</u>
Deferred Inflows of Resources				
Unavailable revenue				
Due from other governmental units	<u>45,910</u>	<u>-</u>	<u>-</u>	<u>45,910</u>
Fund Balances				
Non-spendable				
Inventory	-	-	6,070	6,070
Prepaid items	131,859	-	-	131,859
Restricted for				
Food service	-	-	3,928	3,928
Debt service	-	581,651	-	581,651
Capital projects	-	-	250,329	250,329
Committed				
Student and school activities	-	-	858,541	858,541
Healthcare costs	155,000	-	-	155,000
Assigned for budgeted excess expenditures over revenues	230,660	-	-	230,660
Unassigned	<u>4,116,647</u>	<u>-</u>	<u>-</u>	<u>4,116,647</u>
Total fund balances	<u>4,634,166</u>	<u>581,651</u>	<u>1,118,868</u>	<u>6,334,685</u>
Total liabilities and fund balances	<u>\$ 8,929,824</u>	<u>\$ 581,651</u>	<u>\$ 1,435,935</u>	<u>\$ 10,947,410</u>

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2021

Total fund balances for governmental funds	\$ 6,334,685
Total net position for governmental activities in the statement of net position is different because	
Certain receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	
Operating grants	45,910
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	291,933
Capital assets - net of accumulated depreciation	39,160,155
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(98,108)
Claims for insurance benefits	(302,312)
Incurred but not reported benefit claims	(123,472)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability	(41,895,755)
Net OPEB liability	(6,566,088)
Compensated absences	(418,459)
Bonds and capital lease payable	(18,573,438)
Other long-term assets are not recorded as assets in the governmental funds.	
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	455,018
Deferred inflows of resources resulting from net pension liability	(1,895,182)
Deferred inflows of resources resulting from net OPEB liability	(4,939,822)
Deferred outflows of resources resulting from net pension liability	9,206,382
Deferred outflows of resources resulting from net OPEB liability	<u>3,173,765</u>
Net position of governmental activities	<u>\$ (16,144,788)</u>

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local sources	\$ 2,412,681	\$ 2,863,696	\$ 897,449	\$ 6,173,826
State sources	16,523,237	-	36,057	16,559,294
Federal sources	1,288,379	-	158,736	1,447,115
Interdistrict sources	1,438,169	-	-	1,438,169
	<u>21,662,466</u>	<u>2,863,696</u>	<u>1,092,242</u>	<u>25,618,404</u>
Total revenues				
Expenditures				
Current				
Education				
Instruction	12,720,707	-	-	12,720,707
Supporting services	7,640,621	-	-	7,640,621
Athletics	553,888	-	-	553,888
Student and school activities	-	-	218,203	218,203
Food services	-	-	458,054	458,054
Community services	8,075	-	-	8,075
Facilities acquisition	-	-	652,609	652,609
Capital outlay	328,263	-	-	328,263
Debt service				
Principal	19,249	2,175,000	-	2,194,249
Interest and other expenditures	3,384	701,075	-	704,459
	<u>21,274,187</u>	<u>2,876,075</u>	<u>1,328,866</u>	<u>25,479,128</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>388,279</u>	<u>(12,379)</u>	<u>(236,624)</u>	<u>139,276</u>
Other Financing Sources (Uses)				
Transfers in	-	-	215,000	215,000
Transfers out	(215,000)	-	-	(215,000)
	<u>(215,000)</u>	<u>-</u>	<u>215,000</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances	173,279	(12,379)	(21,624)	139,276
Fund balances - beginning, as restated	4,460,887	594,030	1,140,492	6,195,409
Fund balances - ending	<u>\$ 4,634,166</u>	<u>\$ 581,651</u>	<u>\$ 1,118,868</u>	<u>\$ 6,334,685</u>

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balances - Total governmental funds	\$ 139,276
Total change in net position reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Operating grants	45,910
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 and reported as depreciation expense.	
Depreciation expense	(1,663,210)
Capital outlay	542,884
The statement of net position reports the net pension liability and deferred outflows of resources and the deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	(2,030,145)
Net change in the deferred inflow of resources related to the net pension liability	(448,916)
The statement of net position reports the net OPEB liability and deferred outflows of resources and the deferred inflows related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB liability	2,072,610
Net change in the deferred inflow of resources related to the net OPEB liability	(1,039,031)
Expenses are recorded when incurred in the statement of activities.	
Interest	15,700
Benefit claims	(23,438)
Claims for insurance benefits	17,608
Compensated absences	169,505
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balances. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.	
Repayments of long-term debt	2,194,249
Amortization of premiums	224,113
Amortization of deferred amount on bond refunding	<u>(74,597)</u>
Change in net position of governmental activities	<u>\$ 142,518</u>

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2021

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Grosse Ile Township Schools (the School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board 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 a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the School District as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements

Major individual governmental funds are reported as separate columns in the fund financial statements.

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. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2021

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The School District reports the following major governmental funds:

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Debt Service Fund – The Debt Service Fund is used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Additionally, the School District reports the following fund types:

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District’s Special Revenue Funds include the Cafeteria Fund and Student and School Activity Fund. Operating deficits generated by these activities are generally transferred from the General Fund.

Capital Projects Fund – The Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished.

Sinking Fund – The Sinking Fund is used to record the sinking fund property tax levy and other revenue and the disbursement of invoices specifically for acquiring new school sites, construction or repair of school buildings.

Assets, Liabilities and Net Position or Equity

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as “due from/to other funds”. These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2021, the rates are as follows per \$1,000 of assessed value.

General Fund	
Principal residence exemption	1.73130
Non-principal residence exemption	18.00000
Debt Service Funds	4.47970
Sinking Fund	0.99500

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District’s boundaries. 100% of the School District’s tax roll lies within Wayne County.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by Wayne County and remitted to the School District.

Investments – Investments are stated at fair value based on a quoted market price. Certificates of deposit are stated at cost which approximates fair value.

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2021

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are categorized as prepaid items in both district-wide and fund financial statements.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20–50 years
Site improvements	10–20 years
Equipment and furniture	5–10 years
Buses and other vehicles	5–10 years

Deferred Outflows of Resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities in the following year.

Compensated Absences – The liability for compensated absences reported in the district-wide statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which vacation amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Long-term Obligations – In the district-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. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

Grosse Ile Township Schools Notes to the Financial Statements June 30, 2021

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. 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.

Postemployment Benefits Other Than Pensions – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. 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.

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in

pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – amounts that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned – amounts intended to be used for specific purposes, as determined by the Board of Education or the Business Manager. The Board of Education has granted the Business Manager the authority to assign funds. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2021

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

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, as well as deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards

Statement No. 84, *Fiduciary Activities* improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the criteria includes the following: (1) is the government controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The four fiduciary funds that should be reported, if applicable are: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally will report fiduciary activities that are not held in a trust or similar arrangement that meets specific criteria. Management has determined to implement the requirements of this Statement for the fiscal year ending June 30, 2021, in accordance with the original implementation date of the Statement.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management has determined to implement the requirements of this Statement for the fiscal year ending June 30, 2021, in accordance with the original implementation date of the Statement.

Upcoming Accounting and Reporting Changes

Statement No. 87, *Leases* increases the usefulness of the School District's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the School District's leasing activities. The requirements of this Statement are effective for the fiscal year ending June 30, 2022.

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2021

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund. Interest cost incurred before the end of a construction period should be recognized as an expenditure for financial statements prepared using the current financial resources measurement. The requirements of this Statement are effective for the fiscal year ending June 30, 2022.

Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for the year ending June 30, 2023.

Statement No. 93, *Replacement of Interbank Offered Rates* establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. This Statement is effective for the year ending June 30, 2022.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for the year ending June 30, 2023.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 *Leases*. This Statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2021

requirements for note disclosures related to a SBITA. This Statement is effective for the year ending June 30, 2023.

The School District is evaluating the impact the above GASBs will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A school district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations.

Excess of Expenditures over Appropriations

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

<u>Function</u>	<u>Final Budget</u>	<u>Amount of Expenditures</u>	<u>Budget Variances</u>
General Fund			
Community services	\$ 1,646	\$ 8,075	\$ 6,429

Compliance – Sinking Funds

The Capital Projects Fund records capital project activities funded with the Sinking Fund millage. For this fund, the School District has complied with the applicable provisions of § 1212(1) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2004-4.

Note 3 - Deposits and Investments

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>
Cash	\$ 1,538,704
Investments	<u>5,663,239</u>
	<u>\$ 7,201,943</u>

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2021

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 1,537,172
Investments in securities, mutual funds, and similar vehicles	5,663,239
Petty cash and cash on hand	1,532
Total	\$ 7,201,943

As of year-end, the School District had the following investments:

Investment	Carrying Value	Maturities	Rating	Rating Organization
External investment pool:				
Michigan Liquid Asset Fund (MILAF):				
MILAF + Portfolio	\$ 5,663,239	6 months average	AAAm	Standard & Poors

Interest rate risk – The School District does not have a formal investment policy to manage its exposure to fair value losses arising from changes in interest rates.

Credit risk – State statutes and the School District’s investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers’ acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

Concentration of credit risk – The School District has no policy that would limit the amount that may be invested with any one issuer.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District’s deposits may not

be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year-end, \$1,004,540 of the School District’s bank balance of \$1,574,441 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year-end, the School District’s Michigan Liquid Asset Funds Plus investments of \$5,663,239 were uninsured.

Note 4 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Construction in progress	\$ 1,053,204	\$ 291,933	\$ 1,053,204	\$ 291,933
Capital assets being depreciated				
Buildings and additions	54,358,597	1,141,153	-	55,499,750
Site improvements	2,674,929	-	-	2,674,929
Equipment and furniture	12,091,398	163,002	5,000	12,249,400
Buses and other vehicles	1,567,331	-	-	1,567,331
Total capital assets being depreciated	70,692,255	1,304,155	5,000	71,991,410
Less accumulated depreciation for				
Buildings and additions	19,907,797	1,131,581	-	21,039,378
Site improvements	635,205	148,479	-	783,684
Equipment and furniture	9,577,883	285,510	5,000	9,858,393
Buses and other vehicles	1,052,160	97,640	-	1,149,800
Total accumulated depreciation	31,173,045	1,663,210	5,000	32,831,255
Net capital assets being depreciated	39,519,210	(359,055)	-	39,160,155
Net capital assets	\$ 40,572,414	\$ (67,122)	\$ 1,053,204	\$ 39,452,088

Grosse Ile Township Schools
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Depreciation expense was not charged to activities as the School District considers its assets to impact multiple activities and allocation is not practical.

Note 5 - Interfund Receivable and Payable and Transfers

Individual interfund receivable and payable balances at year end were:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 41,527
General fund	Debt service fund	67,336
Nonmajor fund	General fund	<u>15,881</u>
		<u>\$ 124,744</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Interfund transfers consist of the following:

	<u>Transfers Out</u>
Transfers in	<u>General</u>
	<u>Fund</u>
Nonmajor Funds	<u>\$ 215,000</u>

These transfers were made to cover the costs of the School District's Food Service Fund that were in excess of revenues generated from those activities.

Note 6 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Student meal accounts	\$ 36,493
Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>353,538</u>
Total	<u>\$ 390,031</u>

Note 7 - Capital Leases

The School District has capital leases for two copy machines. The future minimum lease payments are as follows:

Year ending June 30,

Total minimum lease payments	\$ 20,748
Less amount representing interest	<u>1,115</u>

Present value of minimum lease payments	<u>\$ 19,633</u>
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Assets

Equipment and furniture	\$ 83,972
Less accumulated depreciation	<u>(69,275)</u>

Total	<u>\$ 14,697</u>
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Grosse Ile Township Schools
Notes to the Financial Statements
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Note 8 - State Aid Anticipation Note

The School District issues state aid anticipation notes in advance of state aid collections, depositing the proceeds in the General Fund. These notes are necessary because the School District receives state aid from October through the following August for its fiscal year ending June 30th. The School District is required to pledge 100% of their state school aid, October through August, or until the note is repaid, whichever is longer. The State has discretion to accelerate repayment terms if they have cause for concern. If the note is in default status, there is a penalty interest rate that may apply.

Short-term debt activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Proceeds</u>	<u>Repayments</u>	<u>Ending Balance</u>
State aid anticipation note	<u>\$1,074,963</u>	<u>\$2,960,000</u>	<u>\$2,874,963</u>	<u>\$ 1,160,000</u>

The state aid anticipation note agreement includes an irrevocable set-aside of \$1,800,000 at year end that is considered defeased debt and not included in the ending balance.

Note 9 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences and capital leases.

Long-term obligation activity is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds and notes payable					
General obligation bonds	\$ 19,530,000	\$ -	\$ 2,175,000	\$ 17,355,000	\$ 2,280,000
Premium on bonds	<u>1,422,918</u>	<u>-</u>	<u>224,113</u>	<u>1,198,805</u>	<u>-</u>
Total bonds payable	<u>20,952,918</u>	<u>-</u>	<u>2,399,113</u>	<u>18,553,805</u>	<u>2,280,000</u>
Other liabilities					
Capital lease	38,882	-	19,249	19,633	19,633
Compensated absences	<u>587,964</u>	<u>-</u>	<u>169,505</u>	<u>418,459</u>	<u>39,754</u>
Total other liabilities	<u>626,846</u>	<u>-</u>	<u>188,754</u>	<u>438,092</u>	<u>59,387</u>
Total	<u>\$ 21,579,764</u>	<u>\$ -</u>	<u>\$ 2,587,867</u>	<u>\$ 18,991,897</u>	<u>\$ 2,339,387</u>

For governmental activities, compensated absences and the capital lease are primarily liquidated by the General Fund.

General obligation bonds payable at year end, consist of the following:

2018 refunding bond due in annual installments of \$1,145,000-\$1,160,000 through 2022, interest at 4.00%-5.00%	\$ 1,145,000
2015 refunding bond due in annual installments of \$590,000-\$605,000 through 2032, interest at 1.49%-3.03%	6,585,000
2016 school building bond due in annual installments of \$415,000-\$1,515,000 through 2028, interest at 2.00%-3.00%	<u>9,625,000</u>
Total general obligation bonded debt	<u>\$ 17,355,000</u>

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Future principal and interest requirements for bonded debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2022	\$ 2,280,000	\$ 601,726	\$ 2,881,726
2023	2,115,000	503,776	2,618,776
2024	2,115,000	443,474	2,558,474
2025	2,115,000	383,172	2,498,172
2026	2,115,000	322,876	2,437,876
2027 - 2031	6,025,000	722,382	6,747,382
2032	<u>590,000</u>	<u>29,504</u>	<u>619,504</u>
Total	<u>\$ 17,355,000</u>	<u>\$ 3,006,910</u>	<u>\$ 20,361,910</u>

The general obligation bonds are payable from the Debt Service Funds. As of year-end, the fund had a balance of \$581,651 to pay this debt. Future debt and interest will be payable from future tax levies.

Deferred Amount on Refunding

Advanced refundings resulted in differences between the reacquisition price and the net carrying amount of the old debt. These amounts are reported in the accompanying statement of net position as a deferred outflow of resources and are being charged to activities through fiscal year 2031.

Deferred amount on refunding activity is summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
2015 refunding bonds	\$ 458,837	\$ -	\$ 43,184	\$ 415,653
2018 refunding bonds	<u>70,778</u>	<u>-</u>	<u>31,413</u>	<u>39,365</u>
	<u>\$ 529,615</u>	<u>\$ -</u>	<u>\$ 74,597</u>	<u>\$ 455,018</u>

Defeased Debt

In prior years, the School District has defeased various bonds issued by creating separate irrevocable trust funds. New debt has been issued and the net proceeds of each refunding were placed in separate special escrow accounts and invested in securities of the U.S. Government and its agencies. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded bonds are considered to be defeased. Accordingly, the trust account assets and liability for the defeased bonds are not included in the School District's financial statements.

The remaining principal is callable May 2025. As of year end, the amount of defeased debt outstanding but removed from the School District's financial statements is as follows:

2006 Issue refunded \$ 6,585,000

Compensated Absences

Accrued compensated absences at year end, consist of \$70,430 of vacation hours earned and vested, \$10,094 in accrued sick time benefits and \$337,935 of severance pay earned and vested. The amount anticipated to be paid out over the next year is included within the amounts listed as due within one year.

Grosse Ile Township Schools
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Note 10 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District has purchased commercial insurance for general liability, property and casualty and health and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

The School District is self-insured for health benefits paid on behalf of its employees. Deposits are made to the insurance administrator each month and then settled up quarterly based on actual claims and administrative fees. The plan provides a stop-loss provision of \$100,000 per family. For governmental activities, the liability for health benefits is primarily liquidated by the General Fund.

The School District's prescription drug coverage is included with the self-insured medical plan and is administered by BCBSM through Express Scripts. According to the provisions of this program, the School District pays all prescription claims, with the exception of designated co-pays. The designated co-pays for each prescription depends on whether the prescription drug is a generic, preferred (formulary) brand, or non-preferred (non-formulary) brand drug. Co-pays range from \$10-\$160 based on brand. Deposits to the plan are made to the insurance administrator each month and then settled up quarterly based on actual claims and administrative fees. For governmental activities, the liability of prescription benefits is primarily liquidated by the General Fund.

Change in estimated liabilities for claims for health and prescription benefits for the year is as follows:

Estimated liability at the beginning of the year	\$ 100,034
Estimated claims incurred including changes in estimates	1,894,707
Claim payments	<u>(1,871,269)</u>
 Estimated liability end of year	 <u>\$ 123,472</u>

Note 11 - Pension Plan

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) 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. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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 the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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 Treasurer serves as the investment officer and custodian for the System.

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The System's financial statements are available on the ORS website at www.michigan.gov/orsschools

Benefits Provided

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. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. 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.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. 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 portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2017

valuation will be amortized over a 19-year period beginning Oct. 1, 2019 and ending Sept. 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2020.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	13.39 - 19.41%
Member Investment Plan	3.0 - 7.0%	13.39 - 19.41%
Pension Plus	3.0 - 6.4%	16.46%
Pension Plus 2	6.2%	19.59%
Defined Contribution	0.0%	13.39%

Required contributions to the pension plan from the School District were \$3,351,713 for the year ending September 30, 2020.

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

At June 30, 2021, the School District reported a liability of \$41,895,755 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2019. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2020, the School District's proportion was 0.1220 percent, which was an increase of 0.0016 percent from its proportion measured as of September 30, 2019.

Grosse Ile Township Schools
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For the plan year ending September 30, 2020, the School District recognized pension expense of \$5,814,622 for the measurement period. For the reporting period ending June 30, 2021, the School District recognized total pension contribution expense of \$3,603,773.

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 640,133	\$ (89,420)	\$ 550,713
Changes of assumptions	4,642,454	-	4,642,454
Net difference between projected and actual earnings on pension plan investments	176,027	-	176,027
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>340,824</u>	<u>(214,051)</u>	<u>126,773</u>
Total to be recognized in future	5,799,438	(303,471)	5,495,967
School District contributions subsequent to the measurement date	<u>3,406,944</u>	<u>(1,591,711)</u>	<u>1,815,233</u>
Total	<u>\$ 9,206,382</u>	<u>\$ (1,895,182)</u>	<u>\$ 7,311,200</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. The School District will offset the contribution expense in the year ended June 30, 2022 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to

pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2021	\$ 2,395,855
2022	1,776,529
2023	993,968
2024	<u>329,615</u>
	<u>\$ 5,495,967</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2019
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans: 6.80% net of investment expenses
 - Pension Plus Plan: 6.80% net of investment expenses
 - Pension Plus 2 Plan: 6.00% net of investment expenses

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- Projected Salary Increases: 2.75 - 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
 - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
 - Active Members: Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2017 valuation. The total pension liability as of September 30, 2020, is based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees which is 4.4892 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.6 %
Alternative Investment Pools	16.0	9.3
International Equity	15.0	7.4
Fixed Income Pools	10.5	0.5
Real Estate and Infrastructure Pools	10.0	4.9
Absolute Return Pools	9.0	3.2
Real Return/Opportunistic Pools	12.5	6.6
Short Term Investment Pools	2.0	(0.1)
	100.0%	

**Long-term rates of return are net of administrative expenses and 2.1% inflation.*

Rate of Return

For the plan year ended September 30, 2020, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 5.37%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.80% (6.80% for the Pension Plus plan, 6.0% for

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the Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension plus plan, 6.0% for the Pension Plus 2 plan), as well as what the School District'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 higher:

1% Decrease *	Current Single Discount Rate Assumption *	1% Increase *
<u>5.80% / 5.80% / 5.00%</u>	<u>6.80% / 6.80% / 6.00%</u>	<u>7.80% / 7.80% / 7.00%</u>
<u>\$ 54,226,947</u>	<u>\$ 41,895,755</u>	<u>\$ 31,675,944</u>

**Discount rates listed in the following order: Basic and Member Investment Plan (MIP), Pension Plus, and Pension Plus 2.*

Michigan Public School Employees' Retirement System (MPSERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS Comprehensive Annual Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public School Employees' Retirement System (MPSERS)

There were no significant payables to the pension plan that are not ordinary accruals to the School District.

Note 12 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) 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. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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 Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

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Benefits Provided

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 with 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 healthcare 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. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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 were deposited into their 401(k) account.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer OPEB 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 portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2017 valuation will be amortized over a 19-year period beginning October 1, 2019 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2020.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.09%
Personal Healthcare Fund (PHF)	0.0%	7.57%

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Required contributions to the OPEB plan from the School District were \$865,946 for the year ended September 30, 2020.

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

At June 30, 2021, the School District reported a liability of \$6,566,088 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2019. The School District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2020, the School District's proportion was 0.1226 percent, which was an increase of 0.0022 percent from its proportion measured as of September 30, 2019.

For the plan year ending September 30, 2020, the School District recognized OPEB expense of (\$164,178) for the measurement period. For the reporting period ending June 30, 2021, the School District recognized total OPEB contribution expense of \$869,652.

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$ (4,892,349)	\$ (4,892,349)
Changes of assumptions	2,164,970	-	2,164,970
Net difference between projected and actual earnings on OPEB plan investments	54,801	-	54,801
Changes in proportion and differences between the School District contributions and proportionate share of contributions	170,392	(47,473)	122,919
Total to be recognized in future	2,390,163	(4,939,822)	(2,549,659)
School District contributions subsequent to the measurement date	783,602	-	783,602
Total	\$ 3,173,765	\$ (4,939,822)	\$ (1,766,057)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

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Deferred (Inflow) and Deferred Outflow of Resources by Year
 (To Be Recognized in Future OPEB Expenses)

2021	\$	(708,389)
2022		(632,026)
2023		(507,414)
2024		(391,449)
2025		(310,381)
	<u>\$</u>	<u>(2,549,659)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2019
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.95% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: 7.0% Year 1 graded to 3.5% Year 15; 3.0% Year 12
- Mortality:
 - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for

females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

- Active Members: Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Other Assumptions:

- Opt Out Assumptions: 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 are assumed to have coverages continuing after the retiree's death
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2017 valuation. The total OPEB liability as of September 30, 2020, is based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees which is 5.6018 years.

Recognition period for assets is 5 years

Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2021

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.6 %
Alternative Investment Pools	16.0	9.3
International Equity	15.0	7.4
Fixed Income Pools	10.5	0.5
Real Estate and Infrastructure Pools	10.0	4.9
Absolute Return Pools	9.0	3.2
Real Return/Opportunistic Pools	12.5	6.6
Short Term Investment Pools	2.0	(0.1)
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.1% inflation.

Rate of Return

For the plan year ended September 30, 2020, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 5.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.95% 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 6.95%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer 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 School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
\$ 8,434,886	\$ 6,566,088	\$ 4,992,716

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2021

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate

The following presents the School District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the School District's proportionate share of net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 4,932,475	\$ 6,566,088	\$ 8,424,121

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued MPERS Comprehensive Annual Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 13 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2021.

Note 14 - Change in Accounting Principle

As indicated in Note 1, Governmental Accounting Standards Board Statement 84 has been adopted. The standard requires this change be applied retroactively. The impact of this change is to reduce beginning net position in the statement of activities as of July 1, 2020 by \$857,629 restating it from (\$17,144,935) to (\$16,287,306).

The impact of this change increases the beginning fund balance on the statement of revenues, expenditures and changes in fund balance as of July 1, 2020 by \$857,629, restating it from \$5,337,780 to \$6,195,409. The impact of this change also decreases beginning net position on the statement of changes in fiduciary net position as of July 1, 2020 by \$422,120, restating it from \$422,120 to \$0.

REQUIRED SUPPLEMENTARY INFORMATION

Grosse Ile Township Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Revenues				
Local sources	\$ 2,520,455	\$ 2,441,760	\$ 2,412,681	\$ (29,079)
State sources	14,621,200	16,206,273	16,523,237	316,964
Federal sources	631,050	1,497,085	1,288,379	(208,706)
Interdistrict sources	1,439,150	1,496,746	1,438,169	(58,577)
	<u>19,211,855</u>	<u>21,641,864</u>	<u>21,662,466</u>	<u>20,602</u>
Expenditures				
Instruction				
Basic programs	10,121,332	10,744,763	10,497,480	(247,283)
Added needs	2,365,775	2,355,699	2,223,227	(132,472)
Supporting services				
Pupil	1,374,375	1,583,907	1,568,257	(15,650)
Instructional staff	714,075	627,083	549,820	(77,263)
General administration	626,265	632,265	560,339	(71,926)
School administration	1,332,205	1,335,340	1,293,742	(41,598)
Business	421,215	428,375	414,052	(14,323)
Operations and maintenance	1,987,785	2,228,041	2,074,733	(153,308)
Pupil transportation services	834,645	626,760	574,034	(52,726)
Central	514,005	645,965	602,492	(43,473)
Athletic activities	644,520	611,145	553,888	(57,257)
Other	6,500	5,800	3,152	(2,648)
Community services	27,500	1,646	8,075	6,429
Capital outlay	92,950	380,003	328,263	(51,740)
Debt service				
Principal	19,249	19,249	19,249	-
Interest and other expenditures	3,384	3,384	3,384	-
	<u>21,085,780</u>	<u>22,229,425</u>	<u>21,274,187</u>	<u>(955,238)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,873,925)</u>	<u>(587,561)</u>	<u>388,279</u>	<u>975,840</u>
Other Financing Uses				
Transfers out	-	(242,159)	(215,000)	27,159
Net change in fund balance	(1,873,925)	(829,720)	173,279	1,002,999
Fund balance - beginning	4,460,887	4,460,887	4,460,887	-
Fund balance - ending	<u>\$ 2,586,962</u>	<u>\$ 3,631,167</u>	<u>\$ 4,634,166</u>	<u>\$ 1,002,999</u>

Grosse Ile Township Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
A. School District's proportion of net pension liability (%)	0.12200%	0.12040%	0.12070%	0.12120%	0.12468%	0.12975%	0.13019%			
B. School District's proportionate share of net pension liability	<u>\$41,895,755</u>	<u>\$39,865,610</u>	<u>\$36,269,745</u>	<u>\$31,416,222</u>	<u>\$31,107,164</u>	<u>\$31,692,884</u>	<u>\$28,677,053</u>			
C. School District's covered - employee payroll	<u>\$10,848,453</u>	<u>\$10,507,241</u>	<u>\$10,227,001</u>	<u>\$10,083,432</u>	<u>\$10,291,427</u>	<u>\$10,794,636</u>	<u>\$11,098,624</u>			
D. School District's proportionate share of net pension liability as a percentage of its covered - employee payroll	386.19%	379.41%	354.65%	311.56%	302.26%	293.60%	258.38%			
E. Plan fiduciary net position as a percentage of total pension liability	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%			

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2020.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2020.

Grosse Ile Township Schools
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
A. Statutorily required contributions	\$3,603,773	\$ 3,343,291	\$ 3,197,201	\$ 3,041,860	\$ 2,799,801	\$ 2,503,158	\$ 2,021,981			
B. Contributions in relation to statutorily required contributions	<u>3,603,773</u>	<u>3,343,291</u>	<u>3,197,201</u>	<u>3,041,860</u>	<u>2,799,801</u>	<u>2,503,158</u>	<u>2,021,981</u>			
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
D. School District's covered - employee payroll	10,669,079	10,780,086	10,464,184	10,138,287	10,155,143	10,557,312	10,936,406			
E. Contributions as a percentage of covered-employee payroll	33.78%	31.01%	30.55%	30.00%	27.57%	23.71%	18.49%			

Grosse Ile Township Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
A. School District's proportion of the net OPEB liability (%)	0.12260%	0.12040%	0.12030%	0.12120%						
B. School District's proportionate share of the net OPEB liability	<u>\$ 6,566,088</u>	<u>\$ 8,638,698</u>	<u>\$ 9,560,504</u>	<u>\$ 10,730,178</u>						
C. School District's covered - employee payroll	<u>\$ 10,848,453</u>	<u>\$ 10,507,241</u>	<u>\$ 10,227,001</u>	<u>\$ 10,083,432</u>						
D. School District's proportionate share of the net OPEB liability as a percentage of its covered - employee payroll	60.53%	82.22%	93.48%	106.41%						
E. Plan fiduciary net position as a percentage of total OPEB liability	59.44%	48.46%	42.95%	36.39%						

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2020.
Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2020.

Grosse Ile Township Schools
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
A. Statutorily required contributions	\$ 869,652	\$ 864,499	\$ 825,461	\$ 757,499						
B. Contributions in relation to statutorily required contributions	<u>869,652</u>	<u>864,499</u>	<u>825,461</u>	<u>757,499</u>						
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>						
D. School District's covered - employee payroll	10,669,079	10,780,086	10,464,184	10,138,287						
E. Contributions as a percentage of covered-employee payroll	8.15%	8.02%	7.89%	7.47%						

OTHER SUPPLEMENTARY INFORMATION

Grosse Ile Township Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021

	Special Revenue Fund		Capital Projects Funds		Total
	Cafeteria	Student and School Activity Fund	Sinking Fund	Capital Projects Fund	Nonmajor Governmental Funds
Assets					
Cash	\$ 36,009	\$ 351,107	\$ -	\$ 108,312	\$ 495,428
Investments	-	489,863	389,887	-	879,750
Accounts receivable	3,813	-	-	-	3,813
Due from other funds	-	26,395	15,132	-	41,527
Due from other governmental units	9,347	-	-	-	9,347
Inventory	6,070	-	-	-	6,070
Total assets	<u>\$ 55,239</u>	<u>\$ 867,365</u>	<u>\$ 405,019</u>	<u>\$ 108,312</u>	<u>\$ 1,435,935</u>
Liabilities					
Accounts payable	\$ 2,723	\$ 8,824	\$ 253,146	\$ -	\$ 264,693
Due to other funds	6,025	-	-	9,856	15,881
Unearned revenue	36,493	-	-	-	36,493
Total liabilities	<u>45,241</u>	<u>8,824</u>	<u>253,146</u>	<u>9,856</u>	<u>317,067</u>
Fund Balances					
Non-spendable					
Inventory	6,070	-	-	-	6,070
Restricted for					
Food service	3,928	-	-	-	3,928
Capital projects	-	-	151,873	98,456	250,329
Committed	-	858,541	-	-	858,541
Total fund balances	<u>9,998</u>	<u>858,541</u>	<u>151,873</u>	<u>98,456</u>	<u>1,118,868</u>
Total liabilities and fund balances	<u>\$ 55,239</u>	<u>\$ 867,365</u>	<u>\$ 405,019</u>	<u>\$ 108,312</u>	<u>\$ 1,435,935</u>

Grosse Ile Township Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	Special Revenue Fund		Capital Projects Fund		Total
	Cafeteria	Student and School Activity Fund	Sinking Fund	Capital Projects Fund	Nonmajor Governmental Funds
Revenues					
Local sources	\$ 42,835	\$ 219,115	\$ 635,444	\$ 55	\$ 897,449
State sources	36,057	-	-	-	36,057
Federal sources	158,736	-	-	-	158,736
Total revenues	<u>237,628</u>	<u>219,115</u>	<u>635,444</u>	<u>55</u>	<u>1,092,242</u>
Expenditures					
Current					
Student and school activities	-	218,203	-	-	218,203
Food services	458,054	-	-	-	458,054
Facilities acquisition	-	-	595,923	56,686	652,609
Total expenditures	<u>458,054</u>	<u>218,203</u>	<u>595,923</u>	<u>56,686</u>	<u>1,328,866</u>
Excess (deficiency) of revenues over expenditures	(220,426)	912	39,521	(56,631)	(236,624)
Other Financing Sources (Uses)					
Transfers in	<u>215,000</u>	-	-	-	<u>215,000</u>
Net change in fund balances	(5,426)	912	39,521	(56,631)	(21,624)
Fund balances - beginning, as restated	<u>15,424</u>	<u>857,629</u>	<u>112,352</u>	<u>155,087</u>	<u>1,140,492</u>
Fund balances - ending	<u>\$ 9,998</u>	<u>\$ 858,541</u>	<u>\$ 151,873</u>	<u>\$ 98,456</u>	<u>\$ 1,118,868</u>

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Revenues Compared to Budget
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenues from local sources				
Property tax levy	\$ 2,187,655	\$ 2,147,500	\$ 2,120,926	\$ (26,574)
Tuition	5,000	6,000	6,640	640
Transportation fees	5,000	2,500	3,724	1,224
Earnings on investments	25,000	12,800	13,046	246
Athletics	203,000	124,900	146,748	21,848
Other local revenues	<u>94,800</u>	<u>148,060</u>	<u>121,597</u>	<u>(26,463)</u>
Total revenues from local sources	<u>2,520,455</u>	<u>2,441,760</u>	<u>2,412,681</u>	<u>(29,079)</u>
Revenues from state sources				
Grants - unrestricted	12,001,850	13,373,850	13,599,484	225,634
Grants - restricted	<u>2,619,350</u>	<u>2,832,423</u>	<u>2,923,753</u>	<u>91,330</u>
Total revenues from state sources	<u>14,621,200</u>	<u>16,206,273</u>	<u>16,523,237</u>	<u>316,964</u>
Revenues from federal sources				
Grants	<u>631,050</u>	<u>1,497,085</u>	<u>1,288,379</u>	<u>(208,706)</u>
Interdistrict sources				
ISD collected millage	600,250	662,000	722,007	60,007
Cooperative education	<u>838,900</u>	<u>834,746</u>	<u>716,162</u>	<u>(118,584)</u>
Total interdistrict sources	<u>1,439,150</u>	<u>1,496,746</u>	<u>1,438,169</u>	<u>(58,577)</u>
Total revenue and other financing sources	<u>\$ 19,211,855</u>	<u>\$ 21,641,864</u>	<u>\$ 21,662,466</u>	<u>\$ 20,602</u>

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Basic program - elementary				
Salaries	\$ 2,537,700	\$ 2,536,460	\$ 2,535,566	\$ (894)
Employee benefits	1,858,160	1,855,936	1,758,460	(97,476)
Purchased services	48,845	140,945	144,871	3,926
Supplies and materials	66,440	58,350	41,490	(16,860)
Other	300	100	-	(100)
Total elementary	<u>4,511,445</u>	<u>4,591,791</u>	<u>4,480,387</u>	<u>(111,404)</u>
Basic program - middle school				
Salaries	1,414,200	1,404,700	1,405,579	879
Employee benefits	941,190	979,775	928,230	(51,545)
Purchased services	37,452	59,962	64,110	4,148
Supplies and materials	25,600	22,850	22,134	(716)
Other	1,600	800	-	(800)
Total middle school	<u>2,420,042</u>	<u>2,468,087</u>	<u>2,420,053</u>	<u>(48,034)</u>
Basic program - high school				
Salaries	1,793,000	1,864,400	1,868,014	3,614
Employee benefits	1,248,940	1,307,775	1,252,905	(54,870)
Purchased services	101,550	471,310	423,138	(48,172)
Supplies and materials	24,350	20,850	14,065	(6,785)
Other	1,400	1,400	-	(1,400)
Total high school	<u>3,169,240</u>	<u>3,665,735</u>	<u>3,558,122</u>	<u>(107,613)</u>
Basic program - pre-school				
Salaries	950	-	-	-
Employee benefits	485	-	-	-
Purchased services	20	-	-	-
Total pre-school	<u>1,455</u>	<u>-</u>	<u>-</u>	<u>-</u>
Basic program - summer school				
Salaries	6,000	6,000	17,478	11,478
Employee benefits	3,100	3,100	7,575	4,475
Purchased services	10,050	10,050	13,047	2,997
Supplies and materials	-	-	818	818
Total summer school	<u>19,150</u>	<u>19,150</u>	<u>38,918</u>	<u>19,768</u>
Added needs - special education				
Salaries	887,450	779,631	748,340	(31,291)
Employee benefits	613,055	557,717	517,890	(39,827)
Purchased services	28,732	73,200	53,694	(19,506)
Supplies and materials	5,578	5,850	4,955	(895)
Other	135,000	135,000	106,542	(28,458)

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Total special education	1,669,815	1,551,398	1,431,421	(119,977)
Added needs - compensatory education				
Salaries	63,100	65,117	65,416	299
Employee benefits	5,350	38,077	35,802	(2,275)
Supplies and materials	1,200	2,057	2,896	839
Total compensatory education	69,650	105,251	104,114	(1,137)
Added needs - career and technical education				
Salaries	213,650	242,050	235,198	(6,852)
Employee benefits	160,160	182,800	169,607	(13,193)
Purchased services	2,500	2,000	405	(1,595)
Supplies and materials	250,000	272,200	282,482	10,282
Total career and technical education	626,310	699,050	687,692	(11,358)
Pupil - guidance services				
Salaries	296,800	307,650	314,759	7,109
Employee benefits	222,030	228,425	223,732	(4,693)
Purchased services	5,800	5,200	2,887	(2,313)
Supplies and materials	2,500	2,500	735	(1,765)
Total guidance services	527,130	543,775	542,113	(1,662)
Pupil - health services				
Purchased services	9,125	11,500	10,802	(698)
Supplies and materials	1,000	1,000	116	(884)
Total health services	10,125	12,500	10,918	(1,582)
Pupil - psychological services				
Salaries	86,400	89,000	88,935	(65)
Employee benefits	49,350	50,400	50,733	333
Purchased services	850	600	34	(566)
Supplies and materials	500	500	78	(422)
Total psychological services	137,100	140,500	139,780	(720)
Pupil - speech services				
Salaries	193,500	191,400	191,413	13
Employee benefits	132,600	131,300	126,772	(4,528)
Purchased services	-	27,500	20,978	(6,522)
Supplies and materials	300	300	78	(222)
Total speech services	326,400	350,500	339,241	(11,259)

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Pupil - social work services				
Salaries	124,400	138,053	135,314	(2,739)
Employee benefits	90,620	93,170	90,885	(2,285)
Purchased services	900	700	116	(584)
Supplies and materials	500	8,470	11,776	3,306
Total social work services	<u>216,420</u>	<u>240,393</u>	<u>238,091</u>	<u>(2,302)</u>
Pupil - other support services				
Salaries	85,500	181,604	184,427	2,823
Employee benefits	51,700	99,635	98,687	(948)
Purchased services	20,000	15,000	15,000	-
Total other support services	<u>157,200</u>	<u>296,239</u>	<u>298,114</u>	<u>1,875</u>
Instructional staff - improvement of education				
Salaries	191,010	226,079	226,575	496
Employee benefits	154,645	144,631	148,644	4,013
Purchased services	63,500	59,313	17,582	(41,731)
Supplies and materials	9,350	9,300	549	(8,751)
Other	400	400	-	(400)
Total improvement of education	<u>418,905</u>	<u>439,723</u>	<u>393,350</u>	<u>(46,373)</u>
Instructional staff - educational media services				
Salaries	147,600	35,200	27,354	(7,846)
Employee benefits	81,670	17,820	13,889	(3,931)
Purchased services	6,050	1,250	107	(1,143)
Supplies and materials	2,250	2,350	823	(1,527)
Other	57,600	75,100	59,658	(15,442)
Total educational media services	<u>295,170</u>	<u>131,720</u>	<u>101,831</u>	<u>(29,889)</u>
Instructional staff - technology assisted instruction				
Salaries	-	36,246	36,223	(23)
Employee benefits	-	18,294	18,266	(28)
Total technology assisted instruction	<u>-</u>	<u>54,540</u>	<u>54,489</u>	<u>(51)</u>
Instructional staff - supervision and direction of instructional staff				
Supplies and materials	-	1,100	150	(950)
General administration - board of education				
Purchased services	103,300	115,325	89,286	(26,039)
Supplies and materials	1,650	7,200	2,333	(4,867)
Other	8,800	9,250	7,915	(1,335)
Total board of education	<u>113,750</u>	<u>131,775</u>	<u>99,534</u>	<u>(32,241)</u>

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
General administration - executive administration				
Salaries	217,300	210,850	209,152	(1,698)
Employee benefits	142,615	141,640	132,977	(8,663)
Purchased services	12,000	11,400	12,698	1,298
Supplies and materials	129,600	129,100	99,844	(29,256)
Other	11,000	7,500	6,134	(1,366)
Total executive administration	<u>512,515</u>	<u>500,490</u>	<u>460,805</u>	<u>(39,685)</u>
School administration - office of the principal				
Salaries	747,000	749,300	741,446	(7,854)
Employee benefits	525,720	527,975	513,346	(14,629)
Purchased services	26,435	24,465	12,114	(12,351)
Supplies and materials	17,100	14,500	6,159	(8,341)
Other	15,950	19,100	20,677	1,577
Total office of the principal	<u>1,332,205</u>	<u>1,335,340</u>	<u>1,293,742</u>	<u>(41,598)</u>
Business - fiscal services				
Salaries	187,900	194,100	201,526	7,426
Employee benefits	123,115	124,875	126,620	1,745
Purchased services	9,000	5,500	2,798	(2,702)
Supplies and materials	4,100	7,100	6,815	(285)
Other	28,800	34,500	29,004	(5,496)
Total fiscal services	<u>352,915</u>	<u>366,075</u>	<u>366,763</u>	<u>688</u>
Business - other				
Purchased services	500	1,500	1,985	485
Other	67,800	60,800	45,304	(15,496)
Total other business	<u>68,300</u>	<u>62,300</u>	<u>47,289</u>	<u>(15,011)</u>
Operations and maintenance - operating building services				
Salaries	668,500	618,011	593,164	(24,847)
Employee benefits	521,435	484,358	443,865	(40,493)
Purchased services	151,100	171,912	152,016	(19,896)
Supplies and materials	635,600	942,110	875,375	(66,735)
Other	350	350	180	(170)
Total operating building services	<u>1,976,985</u>	<u>2,216,741</u>	<u>2,064,600</u>	<u>(152,141)</u>
Operations and maintenance - security services				
Supplies and materials	10,800	11,300	10,133	(1,167)
Pupil transportation services				
Salaries	409,700	264,950	248,047	(16,903)

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Employee benefits	273,845	219,260	207,328	(11,932)
Purchased services	63,450	76,900	63,455	(13,445)
Supplies and materials	85,100	64,100	54,611	(9,489)
Other	2,550	1,550	593	(957)
Total transportation services	<u>834,645</u>	<u>626,760</u>	<u>574,034</u>	<u>(52,726)</u>
Central - staff/personnel services				
Salaries	54,000	63,900	64,610	710
Employee benefits	33,655	38,095	36,096	(1,999)
Purchased services	19,450	36,584	24,739	(11,845)
Supplies and materials	750	1,000	860	(140)
Other	200	200	150	(50)
Total staff/personnel services	<u>108,055</u>	<u>139,779</u>	<u>126,455</u>	<u>(13,324)</u>
Central - support services technology				
Salaries	72,500	84,000	89,990	5,990
Employee benefits	45,540	50,645	51,619	974
Purchased services	134,000	193,166	167,103	(26,063)
Supplies and materials	16,000	30,000	20,960	(9,040)
Other	15,000	15,500	17,303	1,803
Total support services technology	<u>283,040</u>	<u>373,311</u>	<u>346,975</u>	<u>(26,336)</u>
Central - pupil accounting				
Salaries	49,350	48,350	48,269	(81)
Employee benefits	29,760	42,075	41,464	(611)
Purchased services	43,700	42,000	39,051	(2,949)
Supplies and materials	-	350	278	(72)
Other	100	100	-	(100)
Total pupil accounting	<u>122,910</u>	<u>132,875</u>	<u>129,062</u>	<u>(3,813)</u>
Athletic activities				
Salaries	186,000	181,350	178,430	(2,920)
Employee benefits	120,370	119,195	113,106	(6,089)
Purchased services	250,300	226,850	199,743	(27,107)
Supplies and materials	38,500	49,200	49,750	550
Other	49,350	34,550	12,859	(21,691)
Total athletic activities	<u>644,520</u>	<u>611,145</u>	<u>553,888</u>	<u>(57,257)</u>
Other supporting services				
Purchased services	5,500	4,800	2,755	(2,045)
Supplies and materials	1,000	1,000	397	(603)
Total other supporting services	<u>6,500</u>	<u>5,800</u>	<u>3,152</u>	<u>(2,648)</u>

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Community services - direction				
Salaries	-	-	4,525	4,525
Employee benefits	-	-	3,405	3,405
Supplies and materials	26,500	-	-	-
Total direction	<u>26,500</u>	<u>-</u>	<u>7,930</u>	<u>7,930</u>
Community services - community activities				
Purchased services	1,000	1,000	-	(1,000)
Supplies and materials	-	646	145	(501)
Total community activities	<u>1,000</u>	<u>1,646</u>	<u>145</u>	<u>(1,501)</u>
Capital outlay				
Basic program - elementary	1,100	4,450	4,342	(108)
Basic program - high school	40,000	20,000	7,093	(12,907)
Added needs - career and technical education	-	-	318	318
Pupil - guidance services	50	50	-	(50)
General administration - executive administration	500	500	-	(500)
Business - fiscal services	500	500	-	(500)
Operations and maintenance - operating building services	42,800	55,356	51,680	(3,676)
Pupil transportation services	-	1,000	901	(99)
Central - support services technology	8,000	298,147	263,929	(34,218)
Total capital outlay	<u>92,950</u>	<u>380,003</u>	<u>328,263</u>	<u>(51,740)</u>
Debt service				
Principal	19,249	19,249	19,249	-
Interest and other expenditures	3,384	3,384	3,384	-
Total debt service	<u>22,633</u>	<u>22,633</u>	<u>22,633</u>	<u>-</u>
Other financing uses				
Transfers out	-	242,159	215,000	(27,159)
Total expenditures and other financing uses	<u>\$ 21,085,780</u>	<u>\$ 22,471,584</u>	<u>\$ 21,489,187</u>	<u>\$ (982,397)</u>

Grosse Ile Township Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2021

Year Ending June 30,	2015 Refunding Bonds	2016 Building and Site Bonds	2018 Refunding Bonds	Total
2022	\$ 600,000	\$ 535,000	\$ 1,145,000	\$ 2,280,000
2023	600,000	1,515,000	-	2,115,000
2024	600,000	1,515,000	-	2,115,000
2025	600,000	1,515,000	-	2,115,000
2026	600,000	1,515,000	-	2,115,000
2027	605,000	1,515,000	-	2,120,000
2028	600,000	1,515,000	-	2,115,000
2029	600,000	-	-	600,000
2030	595,000	-	-	595,000
2031	595,000	-	-	595,000
2032	590,000	-	-	590,000
Total	<u>\$ 6,585,000</u>	<u>\$ 9,625,000</u>	<u>\$ 1,145,000</u>	<u>\$ 17,355,000</u>
Principal payments due the first day of	May	May	May	
Interest payments due the first day of	May and November	May and November	May and November	
Interest rate	0.149%-3.030%	2.000%-3.000%	4.000%-5.000%	
Original issue	<u>\$ 9,440,000</u>	<u>\$ 10,655,000</u>	<u>\$ 4,690,000</u>	