



Kent County, Michigan

Annual Financial Report

For the year ended June 30, 2018

NORTHVIEW PUBLIC SCHOOLS

Table of Contents

For the year ended June 30, 2018

Financial Section

Independent Auditor's Report 1

Management's Discussion and Analysis 5

Basic Financial Statements 16

District-wide Financial Statements:

 Statement of Net Position 17

 Statement of Activities 18

Fund Financial Statements:

 Governmental Funds:

 Balance Sheet 19

 Reconciliation of Total Governmental Fund Balances to Net Position of
 Governmental Activities 20

 Statement of Revenues, Expenditures and Changes in Fund Balances 21

 Reconciliation of the Statement of Revenues, Expenditures and Changes
 In Fund Balances of Governmental Funds to the Statement of Activities 22

 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – General Fund 23

 Fiduciary Funds:

 Statement of Fiduciary Net Position 24

 Statement of Changes in Fiduciary Net Position 25

 Notes to Basic Financial Statements 27

Required Supplementary Information

 Schedule of the District Proportionate Share

 Net Pension Liability 62

 Net OPEB Liability 63

 Schedule of the District Contributions

 Pension Contributions 64

 OPEB Contributions 65

 Notes to Required Supplementary Information 66

NORTHVIEW PUBLIC SCHOOLS

Table of Contents (Continued)

For the year ended June 30, 2018

Supplementary Information

Combining and Individual Fund Statements and Schedules:

General Fund	68
Comparative Balance Sheet	69
Comparative Schedule of Revenues	70
Comparative Schedule of Expenditures	72
Nonmajor Governmental Funds	79
Combining Balance Sheet	80
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	82
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual: Food Service Special Revenue Fund	84
Special Revenue Fund	85
Food Service Special Revenue Fund: Comparative Balance Sheet	86
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	87
Debt Service Funds	89
Combining Balance Sheet	90
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	92
Capital Projects Funds	95
Building and Site Capital Projects Fund: Comparative Balance Sheet	96
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	97
2012 Construction Capital Projects Fund: Comparative Balance Sheet	98
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	99
Agency Fund	101
Student Activities Agency Fund: Statement of Changes in Assets and Liabilities	102
Other Information	103
Summary of 2017 Taxes Levied and Collected	104

Federal Financial Assistance Programs Supplemental Information Issued Under Separate Cover

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

October 18, 2018

The Board of Education
Northview Public Schools

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Northview Public Schools (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's 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 auditor's 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, the major fund and the aggregate remaining fund information of Northview Public Schools as of June 30, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and Required Supplementary Information, as listed 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 assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Northview Public Schools' basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate 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 combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2018 on our consideration of Northview Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Northview Public Schools' internal control over financial reporting and compliance.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note L to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended June 30, 2018. Our opinion is not modified with respect to this matter.



Certified Public Accountants
Grand Rapids, Michigan

This Page Intentionally Left Blank

MANAGEMENT'S DISCUSSION AND ANALYSIS



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2018

As management of the Northview Public Schools, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

- The first two statements, the Statement of Net Position and the Statement of Activities, are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - ♦ *Governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
 - ♦ *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The Basic Financial Statements also include Notes to Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data; Required Supplementary Information includes pension and OPEB information schedules; Other Supplementary Information follows and includes combining and individual fund statements and schedules.

District-wide Statements

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

The two district-wide statements report the District's net position, and how it has changed. Net position - the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, one should consider additional non-financial factors such as changes in the District's property tax-base, economic factors that might influence state aid revenue, and the condition of school buildings and other facilities.



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2018

In the district-wide financial statements, the District's activities are presented as follows:

- *Governmental activities*: The District's basic services are included here, such as regular and special education, instructional support, transportation, administration, community services, food service and athletics. State aid and property taxes finance most of these activities.

New Accounting Pronouncements Implemented

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the fiscal year ended June 30, 2018. This Statement establish standards for recognizing and measuring (OPEB) liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB plans, the Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actual present value, and attribute that present value to periods of employee service. These changes resulted in a reduction of \$18,774,777 in district-wide net position as of July 1, 2017, (to record the beginning net OPEB liability of \$19,877,609 less the OPEB contributions made after the measurement date of \$1,102,832) and now include the *net OPEB liability* of the District of \$19,680,394 at June 30, 2018.



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2018

Condensed District-wide Financial Information

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

	<u>2018</u>	<u>2017</u>
Assets		
Current assets	\$ 11,429,944	\$ 13,677,482
Net capital assets	<u>50,036,674</u>	<u>52,438,324</u>
Total Assets	<u>61,466,618</u>	<u>66,115,806</u>
Deferred Outflows of Resources	<u>15,776,305</u>	<u>9,381,228</u>
Liabilities		
Current liabilities	9,174,515	10,080,107
Long-term liabilities	41,524,379	44,636,080
Net pension liability	57,684,068	54,100,015
Net OPEB liability	<u>19,680,394</u>	<u>-</u>
Total Liabilities	<u>128,063,356</u>	<u>108,816,202</u>
Deferred Inflows of Resources	<u>4,205,056</u>	<u>801,648</u>
Net Position		
Net investment in capital assets	7,060,431	6,959,854
Restricted	1,818,830	1,853,724
Unrestricted (deficit)	<u>(63,904,750)</u>	<u>(42,934,394)</u>
Total Net Position	<u>\$ (55,025,489)</u>	<u>\$ (34,120,816)</u>



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2018

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

	<u>2018</u>	<u>2017</u>
Program Revenues		
Charges for services	\$ 727,201	\$ 982,870
Operating grants	13,950,820	12,506,560
General Revenues		
Property taxes	7,894,121	7,743,682
State school aid, unrestricted	21,306,974	21,642,451
Earnings on deposits and investments	112,033	62,837
Other	535,059	369,827
Total Revenues	<u>44,526,208</u>	<u>43,308,227</u>
Expenses		
Instruction	27,570,959	26,362,549
Supporting services	15,218,876	13,825,098
Community services	573,809	645,869
Food service	1,382,133	1,424,073
Other	215,180	57,964
Interest on long-term debt	1,695,149	1,882,279
Total Expenses	<u>46,656,106</u>	<u>44,197,832</u>
Decrease in net assets	(2,129,898)	(889,605)
Net Position , Beginning of Year, as Restated (Note L)	<u>(52,895,591)</u>	<u>(33,231,211)</u>
Net Position , End of Year	<u><u>\$ (55,025,489)</u></u>	<u><u>\$ (34,120,816)</u></u>

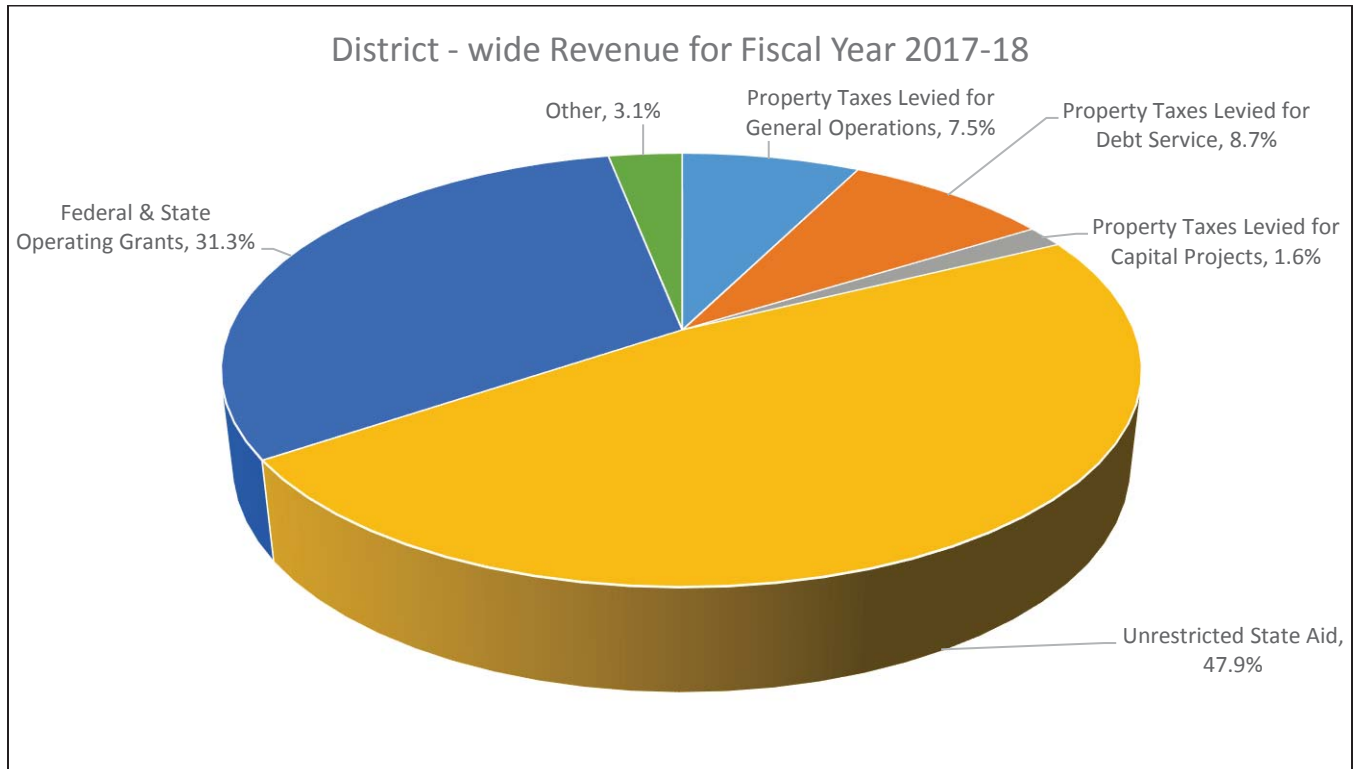
Financial Analysis of the District as a Whole

The District's financial position is the product of many factors. Funding from the State, through the school aid fund, continues to be questionable. The redirecting of funds to colleges and universities has been a drain on K-12 resources. The issue of funding road repairs without increasing taxes has the district concerned about future revenues. The District as a whole continues the task of conserving and saving any resources available, which includes maintaining building budgets at 80% of previous levels.



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2018

The District's total revenues increased \$1,217,981 or 3 percent, in the fiscal year. Property taxes and unrestricted State aid accounted for 66% of the District's revenue. Federal and State grants for specific programs accounted for 31% of total District revenues, increasing \$1,444,260 over the previous fiscal year. The balance of revenues came from charges for services (pre-school, driver education, athletics, leisure-time), donations, interest earnings and other local sources. State revenues increased over the prior year, and base per pupil funding increased to \$7,631, \$120 dollars per pupil higher than the previous high point of \$7,511 per pupil.

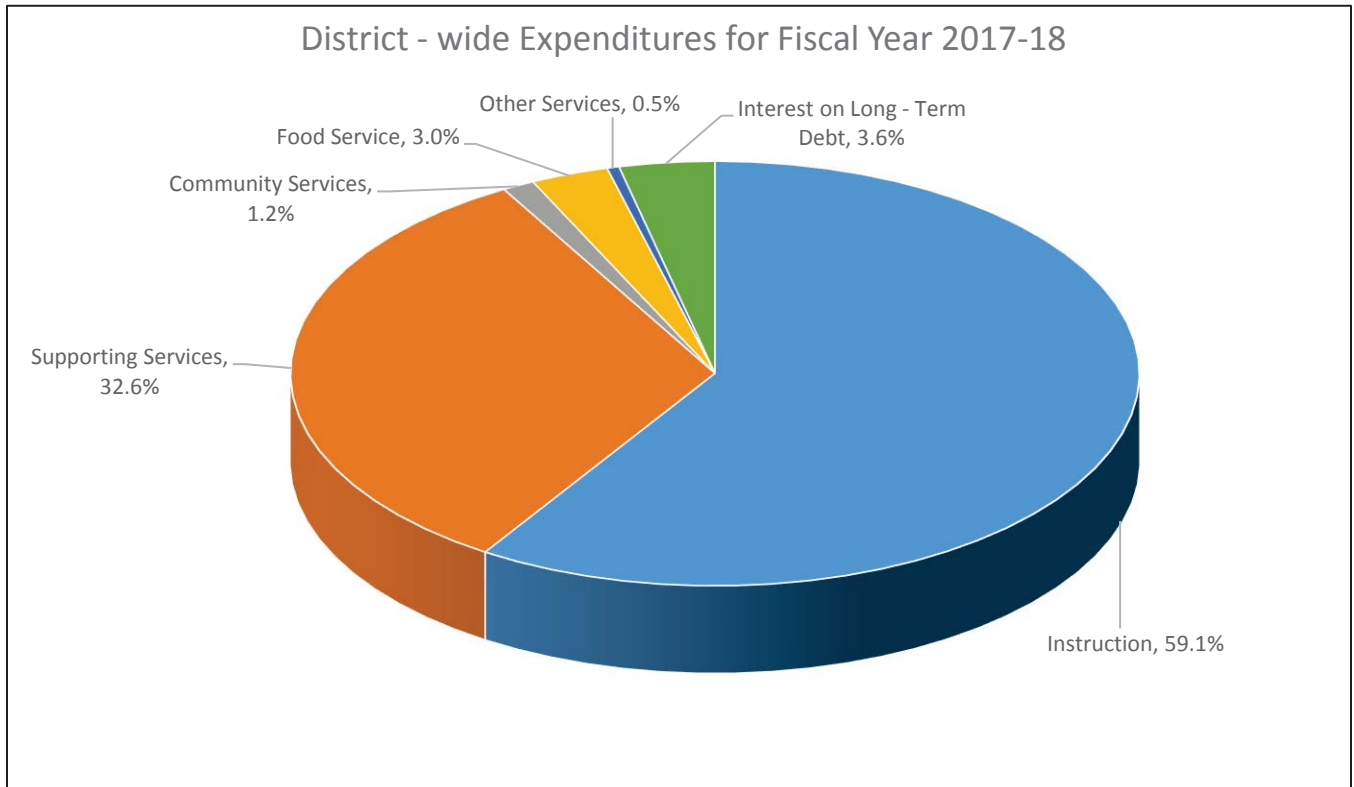


Total cost of all programs and services has increased \$2,458,274 to \$46.7 million in 2017-18. The District's expenses are predominantly related to instruction (59%) and supporting services (33%). The District's expenses are dominated by staff salaries and benefits, which amount to approximately 71% of total expenses.

Total expenses exceeded revenues by \$2,129,898, decreasing total net position from a deficit of \$52,895,591 to a deficit of \$55,025,489. Unrestricted net assets decreased by \$20,970,356 to a deficit of \$63,904,750 at June 30, 2018. This large decrease is mainly due to the restatement of net position at July 1, 2017 due to the new accounting pronouncement, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The District's net pension liability, including deferred outflows and inflows of resources, increased by \$1,222,740 during the fiscal year. In addition, the District's net OPEB liability, including outflows and inflows of resources, increased by \$192,836 during the fiscal year.



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2018



The strength of the District's finances can be credited to both conservative budgeting, reasonable contract settlements, and to all staff who are informed and making an effort to help control and maintain costs. Health insurance costs have been managed by moving to State Legislated Insurance Caps for all employee groups.

The District continues to look for ways to collaborate with other districts to increase efficiencies and savings. The administration will push to increase these and other cost saving programs for the next fiscal year. Retirement and post-secondary educational funding continue to have an impact on K-12 resources; it will continue to be important for the District to continue to reduce expenditures and maximize revenues.

Fund Financial Statements

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

The District utilizes two kinds of funds:

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



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2018

- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others, such as Student Activities Funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Northview Public Schools' funds are described as follows:

Major Fund

General Fund

The General Fund is our primary operating fund. The General Fund had total revenues of \$38,321,327, and total expenditures of \$39,207,466. It ended the fiscal year with a fund balance of \$3,086,089, down from \$3,972,228 at June 30, 2017.

Nonmajor Funds

Special Revenue Fund

The District operates the Food Service Fund. Total revenues were \$1,371,329, and total expenditures were \$1,252,002. The ending fund balance was \$495,691, up from \$376,364 at June 30, 2017.

Debt Service Funds

The District operates three Debt Service funds. Total revenues were \$3,911,020, total other financing sources of \$2,805,000, total expenditures were \$3,722,001 and total other financing uses of \$3,458,865. The ending fund balances in the Debt Service Funds were \$631,456 at June 30, 2018, down from \$1,096,302 at June 30, 2017.

Capital Projects Funds

The District operates two non-major Capital Projects Fund; the Building and Site Fund and the 2012 Construction Fund. Total revenues of the Building and Site Fund were \$725,020, and total expenditures were \$454,359. Ending fund balance increased by \$270,661 to \$954,771 at June 30, 2018.

The 2012 Construction Fund was created from 2012 bond issue proceeds. Total revenues in the fund totaled \$1,338 and expenditures totaled \$132,861, resulting in ending fund balances of zero at June 30, 2018, down from \$131,523 at June 30, 2017.

Fiduciary Funds

The Student Activity Fund is operated as an Agency Fund of the District. The assets of this fund are being held for the benefit of District students. The balance on hand at June 30, 2018 totaled \$448,061. The Scholarship Funds are held as a Private Purpose Trust Fund for the benefit of District students. The balance on hand at June 30, 2018 totaled \$37,752.



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2018

General Fund Budgetary Highlights

Original budgets for fiscal year 2017-18 were developed in a conservative manner. They were adopted by the Board of Education in June 2017 prior to beginning the fiscal year on July 1, 2017. During the course of the year, the District amended the annual operating budget three times: in November 2017, in March 2018, and in June 2018. Each month during the school year an update is provided to the Board of Education for informational purposes.

Variances in actual to budget are detailed as follows:

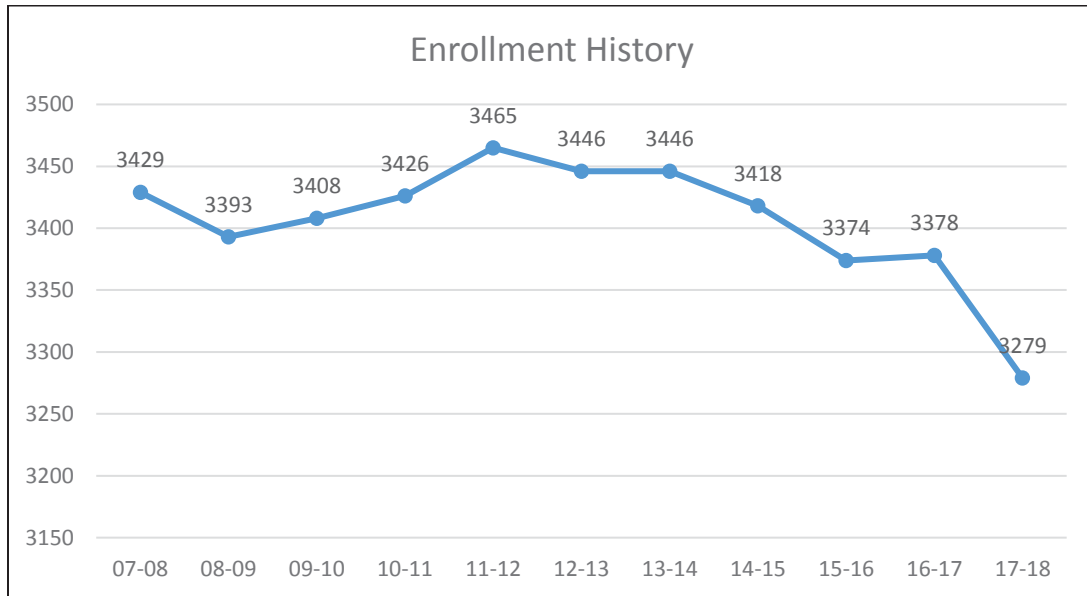
- Revenues – actual revenues were \$19,850 or .05% greater than expected due mainly to miscellaneous revenue received at the end of June.
- Expenditures – actual expenditures were \$607,087 or 1.5% less than budgeted due mainly to timing of expenses incurred.
- The actual excess of expenditures over revenues for the fiscal year was \$886,139 as compared to a final budgeted deficiency of \$1,513,076.

The State of Michigan School Aid, unrestricted, is determined by the following three variables:

- Per Student Foundation Allowance – Annually, the State sets the per student foundation allowance. The District's per pupil foundation allowance for 17-18 was \$7,631. Added to that amount is \$118 per student as an offset to increased retirement costs.
- Student Enrollment – This is blended at 90% of the current fiscal year fall count and 10% of the prior fiscal year spring count. The District's audited student enrollment for 2017-18 was 3,279, down 99 students from the prior year of 3,378. We do allow non-resident students to attend using the Kent Intermediate Schools of Choice plan, or Section 6 applications as the vehicle for entry.
- Non-homestead Levy – The District levies 18 mills of property taxes for operations (General Fund) on non-homestead properties, less the mandatory reductions by the Headlee Amendment. The non-homestead property valuation was \$157,072,281. Total taxable value of all properties was \$609,698,905.



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2018



Capital Asset and Debt Administration

Capital Assets

At the end of 2017-18, the District had a \$94,719,366 investment in a broad range of capital assets including land, school buildings, athletic facilities, administrative offices, transportation and other vehicles, and furniture and equipment. This represents an increase of \$515,151 over the previous year. More detailed information about capital assets can be found in Note D in the Notes to Basic Financial Statements.

At June 30, 2018, the District's net investment in capital assets (after accumulated depreciation) was \$50,036,674, a decrease of \$2,401,650 from the previous year. Depreciation expense charged to District expenses was \$2,983,801 for the fiscal year. Net capital assets of the District at June 30, 2018 are detailed as follows:

Land	\$ 115,296
Buildings and additions	48,694,326
Furniture and equipment	571,135
Vehicles	390,239
Construction in progress	265,678
Net Capital Assets	\$ 50,036,674



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2018

Long-term Debt

At year-end, the District had \$44,173,869 in general obligation bonds and other long-term debt outstanding – a net decrease of \$2,822,311 from the previous year.

The District's bond rating for general obligation debt was affirmed by Standard and Poor's as AA-, with a positive outlook. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within a District's boundaries.

The District's other obligations include early retirement incentive, severance pay and accumulated vacation pay and sick leave. There is more detailed information about our long-term liabilities in Note F in the Notes to Basic Financial Statements.

Factors Bearing on the District's Future

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

- Under state law, the District cannot levy additional property tax revenues for general operations. As a result, District funding is heavily dependent on the State's ability to fund local school operations. One of the most important factors affecting funding is student count. Based on early enrollment data, we anticipate that the fall student count will increase 55 students for the 2018-19 school year. The State 2018-19 per pupil foundation grant for our District has increased \$240 to \$7,871 per pupil.
- In May 2017, voters in Kent County approved the regional Enhancement Millage that is expected to provide approximately \$225 for every student in the District. During 2018-19, we expect to receive approximately \$750,150 from this new millage.
- The District continues to face pressure related to employee benefit costs. The district contributes to health care costs up to the state legislated cap, with employees bearing 100% of the costs in excess of the cap. Some increases have been mitigated by changing health plans and coverage, but this continues to be an area of concern.
- In June 2017, District teachers approved a two year teaching contract. This new contract includes a revised salary schedule with balanced increments between salary steps. The base salary increased a minimum of a step and 1% in year 1 and a step and 1.5% in year 2.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Northview Public Schools, 4365 Hunsberger NE, Grand Rapids, Michigan 49525. Contact by phone at (616) 363-6861, or by e-mail at jbysma@nvps.net.

BASIC FINANCIAL STATEMENTS

NORTHVIEW PUBLIC SCHOOLS
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
Cash	\$ 1,974
Cash equivalents, deposits and investments (Note B)	5,990,187
Accounts receivable	6,293
Due from other governmental units (Note C)	5,339,018
Inventory	10,319
Prepaid expenses	82,153
Capital assets not being depreciated (Note D)	380,974
Capital assets being depreciated, net (Note D)	49,655,700
	61,466,618
Deferred Outflows of Resources	
Loss on advance bond refundings, net	381,089
Deferred pension amounts	14,017,093
Deferred OPEB amounts	1,378,123
	15,776,305
Liabilities	
Accounts payable	190,189
State aid anticipation loan payable (Note E)	2,143,008
Due to other governmental units	1,746,884
Payroll withholdings payable	158,898
Accrued interest payable	292,805
Salaries payable	1,973,785
Unearned revenue	19,456
Long-term liabilities (Note F):	
Due within one year	2,649,490
Due in more than one year	41,524,379
Net pension liability	57,684,068
Net OPEB Liability	19,680,394
	128,063,356
Deferred Inflows of Resources	
Deferred pension amounts	3,539,716
Deferred OPEB amounts	665,340
	4,205,056
Net Position	
Net investment in capital assets	7,060,431
Restricted for:	
Capital projects	954,771
Debt service	368,368
Food service	495,691
Unrestricted (deficit)	(63,904,750)
	\$(55,025,489)

See accompanying notes to basic financial statements.

NORTHVIEW PUBLIC SCHOOLS
Statement of Activities
For the year ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants	Revenue and Changes in Net Position
Governmental Activities				
Instruction	\$ 27,570,959	\$ 44,677	\$12,574,693	\$(14,951,589)
Supporting services	15,218,876	81,895	456,343	(14,680,638)
Community services	573,809	125,503	-	(448,306)
Food service	1,382,133	475,126	893,063	(13,944)
Other	215,180	-	-	(215,180)
Interest on long-term debt	1,695,149	-	26,721	(1,668,428)
Total Governmental Activities	\$ 46,656,106	\$ 727,201	\$13,950,820	(31,978,085)
General Revenues				
Taxes:				
				3,322,665
				3,859,373
				712,083
				21,306,974
				112,033
				535,059
				<u>29,848,187</u>
				(2,129,898)
				<u>(52,895,591)</u>
				<u><u>\$(55,025,489)</u></u>

See accompanying notes to basic financial statements.

NORTHVIEW PUBLIC SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2018

Assets	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Cash	\$ 1,070	\$ 904	\$ 1,974
Cash equivalents, deposits and investments (Note B)	3,900,863	2,089,324	5,990,187
Accounts receivable	6,293	-	6,293
Due from other governmental units (Note C)	5,329,761	9,257	5,339,018
Inventory	-	10,319	10,319
Prepaid expenditures	82,153	-	82,153
Total Assets	<u><u>\$ 9,320,140</u></u>	<u><u>\$ 2,109,804</u></u>	<u><u>\$ 11,429,944</u></u>
 Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 181,759	\$ 8,430	\$ 190,189
State aid anticipation loan payable (Note E)	2,143,008	-	2,143,008
Due to other governmental units	1,746,884	-	1,746,884
Payroll withholdings payable	158,898	-	158,898
Accrued interest payable	29,717	-	29,717
Salaries payable	1,973,785	-	1,973,785
Unearned revenue	-	19,456	19,456
Total Liabilities	<u>6,234,051</u>	<u>27,886</u>	<u>6,261,937</u>
Fund Balances (Note A)			
Nonspendable	82,153	10,319	92,472
Restricted	-	2,071,599	2,071,599
Unassigned	3,003,936	-	3,003,936
Total Fund Balances	<u>3,086,089</u>	<u>2,081,918</u>	<u>5,168,007</u>
Total Liabilities and Fund Balances	<u><u>\$ 9,320,140</u></u>	<u><u>\$ 2,109,804</u></u>	<u><u>\$ 11,429,944</u></u>

See accompanying notes to basic financial statements.

NORTHVIEW PUBLIC SCHOOLS
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2018

Total governmental fund balances		\$ 5,168,007
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$94,719,366 and accumulated depreciation is \$44,682,692.		50,036,674
Bond refunding losses are not expensed but are amortized over the life of the new bond issue.		381,089
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	\$(42,360,000)	
Bond premium, unamortized	(997,332)	
Early retirement incentive	(55,605)	
Severance pay	(236,621)	
Accumulated vacation/sick leave	(524,311)	
	(44,173,869)	(44,173,869)
Accrued interest is not included as a liability in governmental funds.		(263,088)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(57,684,068)	
Deferred outflows	14,017,093	
Deferred inflows	(3,539,716)	
	(47,206,691)	(47,206,691)
Net OPEB liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB liability	(19,680,394)	
Deferred outflows	1,378,123	
Deferred inflows	(665,340)	
	(18,967,611)	(18,967,611)
Total net position - governmental activities		\$ (55,025,489)

See accompanying notes to basic financial statements.

NORTHVIEW PUBLIC SCHOOLS
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2018

	General	Nonmajor	Total
Revenues			
Local sources	\$ 3,983,317	\$ 5,088,923	\$ 9,072,240
State sources	27,835,617	89,701	27,925,318
Federal sources	1,542,446	830,083	2,372,529
Interdistrict sources	4,959,947	-	4,959,947
Total Revenues	38,321,327	6,008,707	44,330,034
Expenditures			
Current:			
Instruction	24,188,495	-	24,188,495
Supporting services	14,487,403	-	14,487,403
Community services	519,568	-	519,568
Food service	-	1,252,002	1,252,002
Capital outlay	-	587,220	587,220
Debt service:			
Principal repayment	-	1,945,000	1,945,000
Interest and fiscal charges	-	1,735,113	1,735,113
Bond issuance costs	-	41,888	41,888
Inter-Governmental	12,000	-	12,000
Total Expenditures	39,207,466	5,561,223	44,768,689
Excess (Deficiency) of Revenues Over Expenditures	(886,139)	447,484	(438,655)
Other Financing Sources (Uses)			
Proceeds from bond refunding	-	2,805,000	2,805,000
Payment to escrow agent	-	(3,458,865)	(3,458,865)
Total Other Financing Sources (Uses)	-	(653,865)	(653,865)
Net Change in Fund Balances	(886,139)	(206,381)	(1,092,520)
Fund Balances, Beginning of Year	3,972,228	2,288,299	6,260,527
Fund Balances, End of Year	\$ 3,086,089	\$ 2,081,918	\$ 5,168,007

See accompanying notes to basic financial statements.

NORTHVIEW PUBLIC 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, 2018

Net change in fund balances - total governmental funds	\$ (1,092,520)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:	
Capital outlays	\$ 582,151
Depreciation expense	<u>(2,983,801)</u>
	(2,401,650)
Bond refunding losses are amortized over the life of the new bond issue on the Statement of Activities.	(82,427)
Bond premium is amortized over the life of the new bond issue on the Statement of Activities.	196,177
Proceeds from the sale of bonds or loans are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position.	(2,805,000)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	5,325,000
Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid.	39,964
In the Statement of Net Position, early retirement incentive, severance pay and accumulated vacation/sick leave are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits used/paid (\$340,189) exceeded the amounts added (\$234,055) .	106,134
The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	(1,222,740)
The changes in net OPEB liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	<u>(192,836)</u>
Total change in net position - governmental activities	<u><u>\$ (2,129,898)</u></u>

See accompanying notes to basic financial statements.

NORTHVIEW PUBLIC SCHOOLS
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Local sources	\$ 3,798,922	\$ 3,981,729	\$ 3,983,317	\$ 1,588
State sources	27,808,191	27,843,379	27,835,617	(7,762)
Federal sources	1,404,341	1,552,554	1,542,446	(10,108)
Interdistrict sources	4,711,521	4,923,815	4,959,947	36,132
Total Revenues	<u>37,722,975</u>	<u>38,301,477</u>	<u>38,321,327</u>	<u>19,850</u>
Expenditures				
Current:				
Instruction:				
Basic programs	18,357,122	19,200,355	18,802,605	397,750
Added needs	5,302,032	5,475,417	5,385,890	89,527
Supporting services:				
Pupil services	3,079,423	3,459,460	3,358,419	101,041
Instructional staff services	729,269	751,564	704,557	47,007
General administrative services	656,249	665,708	678,772	(13,064)
School administrative services	2,125,778	2,259,615	2,244,777	14,838
Business services	849,037	735,358	744,528	(9,170)
Operation and maintenance services	3,206,245	3,388,140	3,405,146	(17,006)
Pupil transportation services	1,249,447	1,243,621	1,239,774	3,847
Central services	1,006,182	1,139,762	1,147,537	(7,775)
Other supporting services	-	970,191	963,893	6,298
Community services	1,367,452	513,362	519,568	(6,206)
Inter-Governmental	-	12,000	12,000	-
Total Expenditures	<u>37,928,236</u>	<u>39,814,553</u>	<u>39,207,466</u>	<u>607,087</u>
Net Change in Fund Balances	(205,261)	(1,513,076)	(886,139)	626,937
Fund Balances, Beginning of Year	<u>3,972,228</u>	<u>3,972,228</u>	<u>3,972,228</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 3,766,967</u></u>	<u><u>\$ 2,459,152</u></u>	<u><u>\$ 3,086,089</u></u>	<u><u>\$ 626,937</u></u>

See accompanying notes to basic financial statements.

NORTHVIEW PUBLIC SCHOOLS
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2018

	Private Purpose Trust Fund	Agency Fund
Assets		
Cash equivalents, deposits and investments (Note B)	\$ 37,752	\$ 447,661
Accounts receivable	-	400
Total Assets	37,752	\$ 448,061
Liabilities		
Due to student groups	-	<u>\$ 448,061</u>
Net Position		
Held in trust for: Individuals and organizations	<u>\$ 37,752</u>	

See accompanying notes to basic financial statements.

NORTHVIEW PUBLIC SCHOOLS
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2018

	Private Purpose Trust Fund
Additions	
Donations	\$ 17,970
Interest earned	522
Total Additions	18,492
Deductions	
Endowment activities: Scholarships	8,600
Change In Net Position	9,892
Net Position, Beginning of Year	27,860
Net Position, End of Year	\$ 37,752

See accompanying notes to basic financial statements.

This Page Intentionally Left Blank

NOTES TO BASIC FINANCIAL STATEMENTS

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Note A – Summary of Significant Accounting Policies

Northview Public Schools (the “District”) was organized under the School Code of the State of Michigan, and services a population of approximately 3,273 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, pre-school programs, athletic activities, special education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

The District’s significant accounting policies are described below.

1. Reporting Entity

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

2. District-wide and Fund Financial Statements

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

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

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

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund is the District's only major fund. Non-major funds are aggregated and presented in a single column.

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

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

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

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

District-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

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

Governmental Funds

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

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

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

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

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

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

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

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of Section 1351a of the State of Michigan’s School Code. The Capital Projects Funds include capital project activities funded with sinking fund millage. The District has complied with the applicable provisions of Section 1212 (I) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by a school district in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Trust Funds—Trust Fund net position and results of operations are not included in the district-wide financial statements. Trust funds are reported using the economic resources measurement focus.

Agency Funds—Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District presently maintains a Student Activities Fund to record the transactions of student groups for school and school related purposes. The funds are segregated and held in trust for the students.

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

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

4. Budgets and Budgetary Accounting

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

Northview Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Starting in the spring, District administrative personnel and department heads work with the Superintendent and Finance Director to establish proposed operating budgets for the fiscal year commencing the following July 1.
- In June, preliminary operating budgets are submitted to the Board of Education. These budgets include proposed expenditures and the means of financing them.
- Prior to June 30, a public hearing is held to obtain taxpayer comments on the proposed budgets.
- After the budgets are finalized, the Board of Education adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).
- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

5. Encumbrances

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

6. Investments

Investments are recorded at fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

7. Inventories/Prepaid Items

Inventories are valued at cost (first-in, first-out), and are accounted for using the consumption method. Inventories of the Food Service Fund consist of food, and other nonperishable supplies. Disbursements for inventory-type items are recorded as expenditures at the time of use for each fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

8. Capital Assets

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

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

Buildings and improvements, vehicles and furniture and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	30-50 years
Furniture and equipment	3-10 years
Vehicles	5-10 years

9. Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. 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, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

10. Early Retirement/Severance Pay/Accumulated Vacation and Sick Leave

Early retirement, severance pay and accumulated vacation/sick leave at June 30, 2018 have been computed and recorded in the district-wide financial statements of the District. Eligible District employees who retire are entitled to payments based on their age, years of service, compensation and unused vacation/sick days. At June 30, 2018, the accumulated liabilities, including salary related payments, (expected to be financed by General Fund revenues) for early retirement, severance pay and accumulated vacation/sick leave amounted to \$55,605, \$236,621, and \$524,311, respectively.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

11. Retirement Plan

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, were implemented by the District during the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, the Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actual present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Cost sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans – pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

12. Postemployment Benefits Other Than Pensions

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented by the District during the fiscal year ended June 30, 2018. This Statement establish standards for recognizing and measuring (OPEB) liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB plans, the Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actual present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about OPEB are also addressed. Distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet specific criteria. Cost-sharing employers are those whose employees are provided with defined benefit OPEB through cost-sharing multiple-employer OPEB plans—OPEB plans in which the OPEB obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides OPEB through the OPEB plan.

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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

13. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three such items that qualify for reporting in this category: the deferred charge on a previous year's bond refunding, the deferred outflows relating to the recognition of net pension liability on the financial statements and the deferred outflows relating to the recognition of net OPEB liability on the financial statements.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category: the deferred inflows of resources relating to the recognition of net pension liability on the financial statements and the deferred inflows of resources relating to the recognition of net OPEB liability on the financial statements.

14. Net Position

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

15. Fund Balance

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

- Nonspendable – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).
- Restricted – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.
- Committed – resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts. Committed fund balance does not lapse at year end.
- Assigned – resources that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

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

The following policy has been adopted by the Board of Education in order to address the implications of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*.

Operational guidelines. The following guidelines address the classification and use of District fund balance in governmental funds:

Fund balance measures the net financial resources available to finance expenditures of future periods. Fund balance is the difference between assets and liabilities reported in a governmental fund. The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without unnecessary borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Education. It is recognized that it will not always be possible to avoid borrowing to provide cash flow.

The Board of Education delegates authority to *assign* fund balance for a specific purpose to the Superintendent and the Finance Director. Assigned Fund Balance does not lapse at year end.

Fund Balance of the District may be *committed* for a specific purpose by formal action of the Board of Education. Amendments or modification to the Committed Fund Balance must also be approved by formal action of the Board. Committed Fund Balance does not lapse at year end.

Prioritization of fund balance use: When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the District to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the District that the funds are to be spent in the following order: Committed Fund Balance, Assigned Fund Balance and lastly, Unassigned Fund Balance.

The Board recognizes that good fiscal management comprises the foundational support of the entire District. It is generally recommended that governments, regardless of size, maintain an unrestricted fund balance equal to two months of either general fund operating revenues or expenditures. As those two amounts can be significantly different, it is the District's policy to measure fund balance on the basis of operating expenditures.

To make the foundational support of the District as effective as possible, the Board desires to maintain, in stable economic times, a fund balance of at least 10% of the District general fund annual operating expenditures. However, the Board is cognizant of the fact that as of initial adoption of this policy, the fund balance percentage is already near this benchmark. Further, the Board is aware that significant funding challenges have been addressed in the past fiscal year and that further additional and more severe fiscal challenges are looming.

At this time the Board intends to maintain a fund balance sufficient to avoid a determination by the state superintendent that 'probable financial stress' within the meaning of Public Act 4 of 2011 (the Local Government and School District Fiscal Responsibility Act) exists. In addition, it is the Board's intent to continue to make every effort to reduce structural inadequacies between operating revenues and expenditures as both operationally and programmatically practical to allow future fund balance growth. The Board shall annually review this provision when budgeted operating expenditures exceed budgeted operating revenues.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

16. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

17. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note B – Cash Equivalents and Investments

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

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.
- Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a school district in Michigan.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Balances at June 30, 2018 related to cash equivalents, deposits and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Position:	
Governmental activities	\$ 5,990,187
Fiduciary Funds:	
Trust and Agency Funds	<u>485,413</u>
	<u>\$ 6,475,600</u>

Cash Equivalents

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

1. Chase Bank

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

June 30, 2018 balances are detailed as follows:

Cash equivalents	<u>\$ 506,267</u>
------------------	-------------------

Custodial Credit Risk Related to Cash Equivalents

Custodial credit risk is the risk that in the event of bank failure, the District's cash equivalents may not be returned to the District. Protection of District cash equivalents is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents was \$506,267 and the bank balance was \$506,267. Of the bank balance, \$250,000 was covered by federal depository insurance and \$256,267 was uninsured and uncollateralized.

Investments

As of June 30, 2018, the District had the following investments:

Surplus Funds Investment Pool Accounts:	
Michigan Liquid Asset Fund	<u>\$ 5,969,333</u>

The Michigan Liquid Asset Fund (MILAF) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF is not regulated or registered with the Securities Exchange Commission and reported the same value of the pool shares as the fair value of the District's investments at June 30, 2018. The MILAF Fund is rated AAAM by Standard and Poor's.

Custodial Credit Risk Related to Investments

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

Credit Risk

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

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Interest Rate Risk

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

Concentration of Credit Risk

The District minimizes concentration of credit risk which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District's investment policy does not limit the amount that may be invested in any one issuer.

Foreign Currency Risk

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

Note C – State School Aid/Property Taxes

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

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February 2017 and October 2017. The 2017-18 "Foundation Allowance" for Northview Public Schools was \$7,631 for 3,279 "Full Time Equivalent" students, generating \$27,504,799 in State aid payments to the District of which \$4,931,410 was paid to the District in July and August 2018 and is included in "Due From Other Governmental Units" of the General Fund and Food Service Special Revenue Fund at June 30, 2018.

Property taxes for the District are levied July 1 and December 1 (the tax lien dates) under a split-levy system by the Township of Ada and the Charter Townships of Grand Rapids and Plainfield, and are due 75 days after the levy date. The taxes are then collected by each governmental unit and remitted to the District. The County of Kent, through its Delinquent Tax Revolving Fund, advances all delinquent real property taxes at March 1 to the District each year prior to June 30.

Section 1211(1) of 1993 PA 312 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

As Northview Public Schools' electors had previously (November 4, 2014) approved a twelve year 18 mill operating millage extension, due to Headlee rollbacks only 17.649 mills of non-homestead property tax was levied in the District for 2017.

The District levied a .7381 recreation millage, 6.308 mills for debt service purposes, and 1.1866 mills for building and site in 2017, applied on all taxable property in the District.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Taxable property in the District is assessed initially at 50% of true cash value by the assessing officials of the various units of government that comprise the District. These valuations are then equalized by the county and finally by the State of Michigan, generating the State Equalized Valuation. Taxable valuation increases will be limited, or capped (known as capped valuation), at 5% or the rate of inflation, whichever is less. With the implementation of Proposal A and Public Act 36, taxable property is now divided into two categories: PRE and NPRE.

A principal residence exemption property (PRE) is exempt from the 18 mill "School Operating" tax. It is not exempt from the 6 mill "State Education" tax, any voted "Local Enhancement Millage" nor any additional voted millage for the retirement of debt.

Non-principal residence exemption property (NPRE) is subject to all District levies. However, since Public Act 36, establishing the Michigan Business Tax, was signed into law, Public Acts 37-40 of 2007 now exempt Industrial Personal Property from the 6 mill State Education Tax and up to 18 mills of local school district operating millage (includes property under Industrial Facilities Tax exemptions); and exempt Commercial Personal Property from up to 12 mills of local school district operating millage (exceptions may apply).

The District is subject to tax abatements granted by the County of Kent with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assists in the building of new facilities, and promotes the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term up to 12 years as determined by the local unit of government. The agreements entered into by each local unit include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The tax abated property taxes are calculated by applying half the local property tax millage rate on the total IFT taxable value. This amounts to a reduction in property tax revenue of approximately 50%.

For the year ended June 30, 2018, the District's property tax revenues were reduced by approximately \$16,633 under these agreements.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Note D – Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balances July 1, 2017	Additions	Deductions	Balances June 30, 2018
Capital assets not depreciated:				
Land	\$ 115,296	\$ -	\$ -	\$ 115,296
Construction in process	13,130	316,550	64,002	265,678
Total capital assets not being depreciated	<u>128,426</u>	<u>\$ 316,550</u>	<u>\$ 64,002</u>	<u>380,974</u>
Capital assets being depreciated:				
Buildings and improvements	91,276,491	\$ 180,939	\$ -	91,457,430
Furniture and equipment	1,152,390	63,630	-	1,216,020
Vehicles	1,646,908	85,034	67,000	1,664,942
Total capital assets being depreciated	<u>94,075,789</u>	<u>\$ 329,603</u>	<u>\$ 67,000</u>	<u>94,338,392</u>
Less accumulated depreciation for:				
Buildings and improvements	39,959,878	\$ 2,803,226	\$ -	42,763,104
Furniture and equipment	544,798	100,087	-	644,885
Vehicles	1,261,215	80,488	67,000	1,274,703
Total accumulated depreciation	<u>41,765,891</u>	<u>\$ 2,983,801</u>	<u>\$ 67,000</u>	<u>44,682,692</u>
Total capital assets being depreciated, net	<u>52,309,898</u>			<u>49,655,700</u>
Net Capital Assets	<u>\$ 52,438,324</u>			<u>\$ 50,036,674</u>

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 2,588,804
Supporting services (includes athletics)	279,965
Community services	32,605
Food service	82,427
	<u>\$ 2,983,801</u>

Note E – Short-term Debt

On August 22, 2016, the District borrowed \$600,246 and \$399,754, and \$3,000,000 in anticipation of State aid at .76%, 1.00%, and 1.20%, respectively, which were repaid on July 20, 2017 and August 21, 2017. On August 21, 2017, the District borrowed \$1,000,000 and \$2,000,000 (due on July 20, 2018, and August 20, 2018) in anticipation of State aid (interest at 1.27% and 1.490%, respectively). Principal repayments of \$856,992 were made during the fiscal year, and interest expense on the loans for the year was \$42,836.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Note F – Long-term Debt

Changes in long-term debt for the year ended June 30, 2018 are summarized as follows:

	Debt Outstanding June 30, 2017	Debt Added	Debt Retired	Debt Payable June 30, 2018
General obligation bonds:				
March 27, 2008	\$ 4,575,000	\$ -	\$ 4,575,000	\$ -
March 20, 2012	28,515,000	-	500,000	28,015,000
June 26, 2012	11,790,000	-	250,000	11,540,000
February 14, 2018	-	2,805,000	-	2,805,000
Bond premium	1,193,509	-	196,177	997,332
Early retirement incentive	111,209	-	55,604	55,605
Severance pay	245,015	28,391	36,785	236,621
Accumulated vacation/sick leave	566,447	205,664	247,800	524,311
	<u>\$ 46,996,180</u>	<u>\$ 3,039,055</u>	<u>\$ 5,861,366</u>	<u>\$ 44,173,869</u>

Long-term debt outstanding at June 30, 2018 is comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
\$30,850K 2012 Building and Site:				
Annual Maturities of \$500M to \$1,550M	May 1, 2041	2.25 - 5.00	\$ 28,015,000	\$ 500,000
\$11,910K 2012 Building and Site:				
Annual Maturities of \$380K to \$550K	May 1, 2042	2.25 - 5.00	11,540,000	380,000
\$2,805K 2018 Refunding:				
Annual Maturities of \$335K to \$1,380K	November 1, 2020	1.78	2,805,000	1,380,000
Bond premium			997,332	43,885
Other Obligations				
Early retirement incentive			55,605	55,605
Severance pay			236,621	40,000
Accumulated vacation/sick leave			524,311	250,000
			<u>\$ 44,173,869</u>	<u>\$ 2,649,490</u>

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

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

Year Ending June 30	Principal	Interest	Total
2019	\$ 2,260,000	\$ 1,633,793	\$ 3,893,793
2020	1,990,000	1,578,750	3,568,750
2021	1,235,000	1,539,207	2,774,207
2022	1,335,000	1,504,225	2,839,225
2023	1,380,000	1,454,825	2,834,825
2024	1,425,000	1,403,625	2,828,625
2025	1,475,000	1,349,625	2,824,625
2026	1,525,000	1,293,625	2,818,625
2027	1,575,000	1,235,625	2,810,625
2028	1,685,000	1,184,406	2,869,406
2029	1,775,000	1,127,919	2,902,919
2030	1,815,000	1,066,763	2,881,763
2031	1,875,000	989,163	2,864,163
2032	1,930,000	916,038	2,846,038
2033	2,030,000	839,200	2,869,200
2034	2,050,000	758,000	2,808,000
2035	2,050,000	676,000	2,726,000
2036	2,050,000	594,000	2,644,000
2037	2,050,000	512,000	2,562,000
2038	2,050,000	415,000	2,465,000
2039	2,050,000	318,000	2,368,000
2040	2,100,000	221,000	2,321,000
2041	2,100,000	121,500	2,221,500
2042	550,000	22,000	572,000
	\$ 42,360,000	\$ 22,754,288	\$ 65,114,288

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Note G – Retirement Plan

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) (the "System"), is a cost sharing, multiple employer, state-wide, defined benefit public employee retirement system 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 the 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.

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management and 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.

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

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

Membership

At September 30, 2017, the System's membership consisted of the following:

Inactive plan members or their beneficiaries currently receiving benefits:		
Regular benefits		189,960
Survivor benefits		17,878
Disability benefits		6,151
Total		213,989
Inactive plan members entitled to but not yet receiving benefits:		18,004
Active plan members:		
Vested		101,574
Non-vested		102,407
Total		203,981
Total plan members		435,974

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

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. Retirement benefits for DB plan members are determined by final average compensation and years of service. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB member or Pension Plus plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account. 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.

Pension Reform 2010

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

Pension Reform 2012

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

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

- Basic Plan members; 4% contribution
- Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

Option 2 members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic Plan members, 3.9% for MIP-Fixed, up to 4% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

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

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

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

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

Employees who first work on or after September 4, 2012, choose between two retirement plans: the Pension Plus plan described above and a Deferred Contribution (DC) plan that provides a 50% employer match (up to 3% of salary) on employee contributions. New employees are automatically enrolled as members in the Pension Plus plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus plan and become a qualified participant in the DC plan; if no election is made they will remain in the Pension Plus plan. If they elect to opt out of the Pension Plus plan, their participation in the DC plan will be retroactive to their date of hire.

Pension Reform of 2017

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

Regular Retirement

The retirement benefit for DB and Pension Plus plan members is based on a member's years of credited service (employment) and final average compensation (FAC). The FAC is calculated based on the member's highest total wages earned during a specific period of consecutive calendar months divided by the service credit accrued during that same time period. For a Member Investment Plan (MIP) member who became a member of MPSERS prior to July 1, 2010, the averaging period is 36 consecutive months. For a Pension Plus member who became a member of MPSERS after June 30, 2010, the averaging period is 60 consecutive months. For a Basic Plan member, this period is the 60 consecutive months yielding the highest total wages. The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012 and is shown below:

Option 1: $FAC \times \text{total years of service} \times 1.5\%$

Option 2: $FAC \times 30 \text{ years of service} \times 1.5\% + FAC \times \text{years of service beyond 30} \times 1.25\%$

Option 3: $FAC \times \text{years of service as of transition date} \times 1.5\% + FAC \times \text{years of service after transition date} \times 1.25\%$

Option 4: $FAC \text{ as of transition date} \times \text{years of service as of transition date} \times 1.5\%$

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

A MIP member who became a member of MPSERS prior to July 1, 2010 may retire at:

- age 46 with 30 or more years of credited service; or
- age 60 with 10 or more years of credited service; or
- age 60 with 5 years of credited service provided the member has worked through his or her 60th birthday and has credited service in each of the five school fiscal years immediately preceding the retirement effective date.

A Pension Plus member who became a member of MPSERS after June 30, 2010 may retire at age 60 with 10 or more years of credited service.

A Basic Plan member may retire at:

- age 55 with 30 or more years of credited service; or
- age 60 with 10 or more years of credited service.

There is no mandatory retirement age.

Early Retirement

A MIP or Basic member may retire with an early permanently reduced pension:

- after completing at least 15 but less than 30 years of credited service; and
- after attaining age 55; and
- with credited service in each of the 5 school years immediately preceding the pension effective date.

The early pension is computed in the same manner as a regular pension, but is permanently reduced 0.5% for each full and partial month between the pension effective date and the date the member will attain age 60.

Deferred Retirement

If a member terminates employment before attaining the age qualification, but after accruing 10 or more years of credited service, the member becomes a deferred member and is eligible for a pension at the time the age qualification is attained.

Non-Duty Disability Benefit

A member with 10 or more years of credited service who becomes totally and permanently disabled due to any non-duty related cause and who has not met the age requirement for a regular pension is eligible for a non-duty disability pension computed in the same manner as an age and service pension, upon recommendation from the member's personal physician and the Retirement Board physician and the approval of the Retirement Board. An Annual Certification of Disability is conducted each January. Upon prior approval, total disability benefits plus authorized outside earnings are limited to 100% of final average compensation (increased by two percent for each year retired; first year 100%, next year 102%, etc.).

Duty Disability Benefit

A member who becomes totally and permanently disabled as a result of a duty-related cause, who has not met the age and service requirement for a regular pension, and who is in receipt of weekly workers' compensation is eligible for a duty disability pension computed in the same manner as an age and service pension (but based upon a minimum of 10 years of service) upon recommendation from the member's personal physician and the Retirement Board physician and the approval of the Retirement Board. An Annual Certification of Disability is conducted each January. Upon prior approval, total disability benefits plus authorized outside earnings are limited to 100% of final average compensation (increased by 2% for each year retired; first year 100%, next year 102%, etc.).

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Forms of Payment

The election of a pension option is made at the time of application. Once a member has retired, the option choice is irrevocable. The pension effective date is the first of the calendar month following the date the member has satisfied the age and service requirements, has terminated public school employment and has the completed application forms on file with the System for a period of 15 days. A retroactive pension can be paid for no more than 12 calendar months. Thus, delay in filing the application can result in a loss of some retroactive pension benefits. An applicant may select only one of the following options.

Straight Life Pension – the Straight Life Pension pays the largest level pension a retiree can receive during his or her lifetime and stops with the month of the retiree’s death. There are no monthly benefits for a beneficiary. The pension benefit is computed with no beneficiary rights. If the retiree made contributions while an employee and has not received the total accumulated contributions before death, a refund of the balance of the contributions is made to the beneficiary of record. If the retiree did not make any contributions, there will not be payments to any beneficiary.

Survivor Options - Under the Survivor Options, 100% Survivor Pension, 100% Equated, 75% Survivor Pension, 75% Equated, 50% Survivor Pension and 50% Equated, the reduction is an actuarial determination dependent upon the combined life expectancies of a retiree and a beneficiary, and varies from case to case. A beneficiary may only be a spouse, brother, sister, parent or child (including an adopted child) of a retiring member. If the beneficiary predeceases a retiree, the pension will revert to either the Straight Life or Straight Life Equated amount (“pop-up” provision). If, however, a retiree was single at the time of retirement and subsequently married, the retiree can request to nominate a new spouse if they elected the straight life option at retirement. Also, if a retiree was married at the time of retirement and has since been widowed and remarried, the retiree can request to nominate a new spouse as a pension beneficiary as long as they elected a survivor option for the spouse at the time of retirement.

100% Survivor Pension – pays a reduced pension to a retiree. The month after a retiree’s death, the same amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

75% Survivor Pension – pays a reduced pension to a retiree. The month after a retiree’s death, 75% of the pension amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

50% Survivor Pension – pays a reduced pension to a retiree. The month after a retiree’s death, 50% of the pension amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

Equated Plan – The Equated Plan may be combined with the Straight Life, 100% Survivor, 75% Survivor, or 50% Survivor pension by any member under age 61, except a disability applicant. The Equated Plan provides a higher pension every month until age 62, at which time the monthly pension is permanently decreased to a lower amount than the Straight Life, 100%, 75%, or 50% Survivor alone would provide.

The intent of the Equated Plan is for the retiree’s pension to decrease at age 62 by approximately the same amount as that person’s Social Security benefit will provide. The System pension until age 62 should be about the same as the combined System pension and Social Security after age 62.

The projected Social Security pension the retiring member obtains from the Social Security Administration and furnishes to the System is used in the Equated Plan calculation. The actual Social Security pension may vary from the estimate.

NOTE: The reduction in the pension at age 62 pertains to the Equated Plan only and affects only the retiree. A beneficiary under 100% Equated, 75% Equated or 50% Equated will receive the 100%, 75%, or 50% Survivor amount the month following the retiree’s death as if the Equated Plan had not been chosen. A beneficiary does not participate in the Equated Plan.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Survivor Benefit

A non-duty survivor pension is available if a Member Investment Plan (MIP) member has 10 years of credited service or, if age 60 or older, with five years of credited service; the date they became a MIP member does not matter. The Basic Plan provides a survivor pension with 15 years of credited service or, if age 60 or older, with 10 years of credited service. The Pension Plus plan provides for a survivor pension with 10 year of credited service. An active member may nominate as a survivor beneficiary a spouse, child(ren) (including adopted child(ren)), brother, sister, or parent. If other than the spouse is nominated and a spouse exists, the spouse must waive this benefit. If no beneficiary has been nominated, the beneficiary is automatically the spouse; or, if there is no spouse, unmarried children under age 18 share the benefit equally until age 18. The benefit is computed as a regular pension but reduced in accordance with an Option 2 (100% survivor pension factor). The pension begins the first of the month following the member's death. In the event of death of a deferred member, the System begins payment to the nominated beneficiary at the time the member would have attained the minimum age qualification.

A duty survivor pension is payable if weekly Workers' Compensation is being paid to the eligible beneficiary due to the member's death. A spouse receives the benefit (based on a minimum of 10 years of service credit) reduced in accordance with a 100% survivor pension factor. If there is no spouse, unmarried children under age 18 share the benefit equally until age 18; if there is no spouse or child(ren), a disabled and dependent parent is eligible.

Post-Retirement Adjustments

A retiree who became a (MIP) member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of three percent of the initial pension in the October following twelve months of retirement. Basic Plan members do not receive an annual post-retirement increase, but are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions. Pension Plus members do not receive an annual post-retirement increase.

On January 1, 1990, pre-October 1, 1981 retirees received an increase that ranged from 1% to 22% dependent upon the pension effective date. On October 1, 1990, the base pension of all retirees with an effective pension date of January 1, 1987, or earlier was increased to include all prior post-retirement benefits.

On January 1, 1986, all recipients through calendar year 1985 received a permanent 8% increase that established the 1986 base pension. In addition, each October, retirees with a pension effective date of January 1, 1987, or earlier receive a fixed increase equal to 3% of the base pension. Both increases are deducted from the distribution of excess investment income, if any. Beginning in 1983, eligible recipients receive an annual distribution of excess investment income, if any.

Contributions and Funded Status

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 the 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 will be amortized over a 22 year period for the 2017 fiscal year.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

The schedule below summarized pension contribution rate in effect for the plan fiscal year 2017.

Pension Contribution Rates:

Plan Name	Member	District
Member Investment Plan (MIP)	0.0 – 4.0%	19.03%
Basic	3.0 – 7.0 %	19.03%
Pension Plus	3.0 – 6.4%	18.40%
Defined Contribution	0.0%	15.27%

The District’s contributions to MPSERS under all pension plans for the year ended June 30, 2018, inclusive of the MSPERS UAAL Stabilization, totaled \$5,853,387.

MPSERS Plan Net Pension Liability (in thousands)

Total Pension Liability	\$ 73,501,296
Plan Fiduciary Net Position	<u>47,011,783</u>
Net Pension Liability	<u>\$ 26,489,513</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	63.96%
Net Pension Liability as a Percentage of Covered Employee Payroll	313.37%
Total Covered Payroll	\$ 8,452,983

Proportionate Share of Reporting Unit’s Net Pension Liability

At June 30, 2018, the District reported a liability of \$57,684,068 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2016. The 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 the pension contributions required from all applicable employers during the measurement period. At September 30, 2017 the District’s proportion was .22259593%, which was an increase from .21684084% at September 30, 2016.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

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

For the year ended June 30, 2018, the District recognized pension expense of \$6,470,705. At June 30, 2018, the 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
Difference between expected and actual experience	\$ 501,314	\$ 283,044
Changes of assumptions	6,319,748	—
Net difference between projected and actual earnings on pension plan investment earnings	—	2,757,678
Changes in proportion and differences between District contributions and proportionate share of contributions	1,757,329	498,994
District contributions subsequent to the measurement date*	5,438,702	—
Total	\$ 14,017,093	\$ 3,539,716

*This amount, reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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

Year ended June 30	Amount
2019	\$ 1,542,540
2020	2,399,816
2021	1,060,481
2022	35,838

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.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2016
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	3.5%
Investment Rate of Return:	
MIP and Basic Plans (Non-Hybrid):	7.5%
Pension Plus Plan (Hybrid):	7.0%
Projected Salary Increases:	3.5% - 12.3%, including wage inflation of 3.5%
Cost-of-Living Adjustments:	3% annual non-compounded for MIP members
Mortality:	RP-2000 Male and Female Combined Healthy Life Mortality Tables, adjusted for mortality improvements to 2025 using projection scale BB. This assumption was first used for the September 30, 2014 valuation of the System. For retirees, 100% of the table rates were used. For active members, 80% of the table rates were used for males, and 70% of the table rates were used for females.

Notes:

- Assumption changes as a result of an experience study for the period 2007 through 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2014 valuation. The total pension liability as of September 30, 2017 is based on the results of an actuarial valuation date of September 30, 2016, 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 in years: [5.4744 for non-university employers, 1.4186 for university employers].
- Recognition period for assets in years is 5.000.
- Full actuarial assumptions are available in the 2017 MPSERS Comprehensive Annual Financial Report (www.michigan.gov/mpsers-cafr).

Long-Term Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a 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, 2017 are summarized in the following table:

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Domestic Equity Pools	28.0%	5.6%
Private Equity Pools	18.0%	8.7%
International Equity Pools	16.0%	7.2%
Fixed Income Pools	10.5%	(0.1%)
Real Estate & Infrastructure Pools	10.0%	4.2%
Absolute Return Pools	15.5%	5.0%
Short-term Investment Pools	2.0%	(0.9%)
Total	100.0%	

*Long-term rates are net of administrative expenses and 2.3% inflation.

Rate of Return

For the fiscal year ended September 30, 2017, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 13.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changed amounts actually invested.

Discount Rate

A discount rate of 7.5% was used to measure the total pension liability (7.0% for the Pension Plus plan. This discount rate was based on the long-term expected rate of return on pension plan investments of 7.5% (7.0% for the Pension Plus plan). The projection of cash flows used to determine the 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 those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent (7.0% for the Pension Plus plan), as well as what the 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 point higher:

	<u>1% Decrease (Non-Hybrid/Hybrid) 6.5%/6.0%</u>	<u>Current Single Discount Rate Assumption (Non-Hybrid/Hybrid) 7.5%/7.0%</u>	<u>1% Increase (Non-Hybrid/Hybrid) 8.5%/8.0%</u>
District's proportionate share of the net pension liability	\$ 75,143,155	\$ 57,684,068	\$ 42,984,630

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Michigan Public School Employees Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System September 30, 2017 Comprehensive Annual Financial Report, available here: (www.michigan.gov/orsschools).

Payables to the Michigan Public School Employee Retirement System (MPERS)

Payables to the pension plan totaling \$766,895 at June 30, 2018 arise from the normal legally required contributions based on the accrued salaries payable at year-end, expected to be liquidated with expendable available financial resources.

Note H – Other Postemployment Benefits

Plan Description

The Michigan Public School Employees' Retirement System (MPERS or “System”) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. 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.

Plan Participants

At September 30, 2017, the System’s membership consisted of the following:

Eligible participants	211,051
Participants receiving benefits:	
Health	152,154
Dental/Vision	165,532
Vested plan members:	
Active	190,537
Non-active	2,349

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

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 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.

Retiree Healthcare Reform of 2012

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

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

Contributions and Funded Status

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, 2016 valuation will be amortized over a 20-year period for the 2017 fiscal year.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

The schedule below summarizes OPEB contribution rates in effect for fiscal year 2017:

OPEB Contribution Rates:

Benefit Structure	Member	District
Premium Subsidy	3.0%	5.91%
Personal Healthcare Fund (PHF)	0.0 %	5.69%

Required contributions to the OPEB plan from the District were \$1,460,066 for the year ended September 30, 2017.

Net OPEB Liability (in thousands)

Total OPEB Liability	\$ 14,175,547
Plan Fiduciary Net Position	<u>5,177,775</u>
Net OPEB Liability	<u><u>\$ 8,997,772</u></u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	36.53%
Net OPEB Liability as a Percentage of Covered Employee Payroll	106.44%
Total Covered Payroll	\$ 8,452,983

At June 30, 2018, the District reported a liability of \$19,680,394 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2016. The 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, 2017, the District's proportion was .22223994%.

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,316,582. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ —	\$ 209,538
Changes of assumptions	—	—
Net difference between projected and actual earnings on OPEB plan investment earnings	—	455,802
Changes in proportion and differences between District contributions and proportionate share of contributions	928	—
District contributions subsequent to the measurement date*	<u>1,377,195</u>	<u>—</u>
Total	<u><u>\$ 1,378,123</u></u>	<u><u>\$ 665,340</u></u>

*This amount, reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019.

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

Year ended June 30	Amount
2019	\$ (160,573)
2020	(160,573)
2021	(160,573)
2022	(22,119)

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.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2016
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	3.5%
Investment Rate of Return:	7.5%
Projected Salary Increases:	3.5% - 12.3%, including wage inflation of 3.5%
Healthcare Cost Trend Rate:	7.5% Year 1 graded 3.5% Year 12
Mortality:	RP-2000 Male and Female Combined Healthy Life Mortality Tables, adjusted for mortality improvements to 2025 using projection scale BB. This assumption was first used for the September 30, 2014 valuation of the System. For retirees, 100% of the table rates were used. For active members, 80% of the table rates were used for males, and 70% of the table rates were used for females.

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

Notes:

- Assumption changes as a result of an experience study for the period 2007 through 2012 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2014 valuation. The total OPEB liability as of September 30, 2017, is based on the results of an actuarial valuation date of September 30, 2016, 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 in years: [5.4744 for non-university employers or 1.4186 for university employers]
- Recognition period for assets in years is 5.0000
- Full actuarial assumptions are available in the 2017 MPSERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Rate of Return on Investments

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, 2017, are summarized in the following table:

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	28.0%	5.6%
Private Equity Pools	18.0%	8.7%
International Equity Pools	16.0%	7.2%
Fixed Income Pools	10.5%	(0.1%)
Real Estate & Infrastructure Pools	10.0%	4.2%
Absolute Return Pools	15.5%	5.0%
Short-term Investment Pools	2.0%	(0.9%)
Total	100.0%	

*Long-term rates of return are net of administrative expenses and 2.3% inflation

Rate of Return

For the fiscal year ended September 30, 2017, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 11.82%. 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 7.5% 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 7.5%. 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 District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 7.5 percent, as well as what the 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 point higher:

	1% Decrease 6.5%	Current Discount Rate Assumption 7.5%	1% Increase 8.5%
District's proportionate share of the net OPEB liability	\$ 23,051,429	\$ 19,680,394	\$ 16,819,440

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

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

The following presents the District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the District's proportionate share of the 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 6.5%	Current Healthcare Cost Trend Rate 7.5%	1% Increase 8.5%
District's proportionate share of the net OPEB liability	\$ 16,666,648	\$ 19,680,394	\$ 23,102,292

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2017 MPSERS CAFR, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

Payables to the OPEB plan totaling \$152,000 at June 30, 2018 arise from the normal legally required contributions based on the accrued salaries payable at year-end, expected to be liquidated with expendable available financial resources.

Note I – Risk Management and Benefits

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

There were no significant reductions in insurance coverage in fiscal 2017-18, and as of year ended June 30, 2018, there were no material pending claims against the District.

Note J – Stewardship, Compliance and Accountability

The District has an unrestricted net position deficit of \$63,904,750 and a total net position deficit of \$55,025,489, as of June 30, 2018. These deficit net positions result primarily from the net pension liability of \$47,206,691 and the net OPEB liability of \$18,967,611 (net of deferred outflows and inflows of resources related to the pension/OPEB plan).

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2018

Note K – Commitments

On March 20, 2012, the District issued \$30,850,000 of general obligation 2012 Construction bonds whose proceeds are being used for land improvements, building renovations and additions and furniture and equipment purchases. At June 30, 2018, there were no unspent balances committed to these construction projects.

Note L – New Accounting Pronouncement Adopted

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was adopted by the District during the fiscal year ended June 30, 2018. This statement replaces the requirements of GASB Statement No. 45 and the primary objective of this statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (OPEB). Changes/additions to deferred outflows of resources, deferred inflows of resources and net OPEB liability required by the Statements decreased beginning net position by \$18,774,777 at July 1, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHVIEW PUBLIC SCHOOLS
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2018

	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2018</u>
District's proportion of the net pension liability	0.21231027%	0.22027334%	0.21684084%	0.22259593%
District's proportionate share of the net pension liability	\$ 46,764,528	\$ 53,801,822	\$ 54,100,015	\$ 57,684,068
District's covered-employee payroll	\$ 18,035,709	\$ 18,410,071	\$ 18,334,362	\$ 18,940,449
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	259.29%	292.24%	295.07%	304.55%
Plan fiduciary net position as a percentage of the total pension liability	66.15%	62.92%	63.01%	63.96%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

NORTHVIEW PUBLIC SCHOOLS
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2018

	Year Ended June 30, 2018
District's proportion of the net OPEB liability	0.22223994%
District's proportionate share of the net OPEB liability	\$ 19,680,394
District's covered-employee payroll	\$ 18,940,449
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	103.91%
Plan fiduciary net position as a percentage of the total OPEB liability	36.53%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

NORTHVIEW PUBLIC SCHOOLS
Required Supplementary Information
Schedule of District Pension Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2018

	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2018</u>
Contractually required contribution	\$ 5,753,374	\$ 5,667,274	\$ 5,824,302	\$ 5,853,387
Contributions in relation to the contractually required contribution	<u>5,753,374</u>	<u>5,667,274</u>	<u>5,824,302</u>	<u>5,853,387</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 18,464,688	\$ 18,801,146	\$ 18,913,839	\$ 19,717,560
Contributions as a percentage of covered employee payroll	31.16%	30.14%	30.79%	29.69%

Note: GASB Statement No 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**NORTHVIEW PUBLIC SCHOOLS
 Required Supplementary Information
 Schedule of District OPEB Contributions
 MPSERS Cost-sharing Multiple-employer Plan
 June 30, 2018**

	<u>Year Ended June 30, 2018</u>
Contractually required contribution	\$ 1,460,066
Contributions in relation to the contractually required contribution	<u>1,460,066</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
District's covered-employee payroll	\$ 19,717,560
Contributions as a percentage of covered employee payroll	7.40%

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

NORTHVIEW PUBLIC SCHOOLS
Notes to Required Supplementary Information
June 30, 2018

Note A – Net Pension Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2017-18.

Changes of assumptions: There were no changes of benefit assumptions in 2017-18.

Note B – Net OPEB Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2017-18.

Changes of assumptions: There were no changes of benefit assumptions in 2017-18.

SUPPLEMENTARY INFORMATION

GENERAL FUND

To account for resources which are traditionally associated with the general operation of the District and not required to be accounted for in another fund.

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash	\$ 1,070	\$ 1,070
Cash equivalents, deposits and investments	3,900,863	5,819,353
Accounts receivable	6,293	3,115
Due from other governmental units	5,329,761	5,445,912
Prepaid expenditures	82,153	85,276
Total Assets	\$ 9,320,140	\$ 11,354,726
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 181,759	\$ 312,973
State aid anticipation loan payable	2,143,008	3,142,857
Due to other governmental units	1,746,884	1,824,653
Payroll withholdings payable	158,898	142,366
Accrued interest payable	29,717	35,900
Salaries payable	1,973,785	1,899,195
Unearned revenue	-	24,554
Total Liabilities	6,234,051	7,382,498
Fund Balances		
Nonspendable	82,153	85,276
Unassigned	3,003,936	3,886,952
Total Fund Balances	3,086,089	3,972,228
Total Liabilities and Fund Balances	\$ 9,320,140	\$ 11,354,726

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2018 and 2017

	2018	2017
Local sources:		
Property taxes:		
Current property taxes	\$ 2,845,124	\$ 2,847,707
Recreation taxes	463,353	435,283
Industrial facilities taxes	1,140	1,175
Delinquent property taxes	7,137	14,512
Interest on delinquent taxes	5,911	6,365
	<u>3,322,665</u>	<u>3,305,042</u>
Investment earnings:		
Earnings on deposits and investments	69,692	42,900
Revenue from student activities:		
Athletics admissions	120,702	123,469
Tournament revenue	11,035	17,439
	<u>131,737</u>	<u>140,908</u>
Other local revenue:		
Summer school tuition	10,882	18,313
Preschool/latchkey tuition	33,795	41,331
Childcare fees	173	197,258
Community school activities	83,196	92,317
Telephone discount reimbursements	25,552	25,190
Beverage consortium commissions	6,106	9,195
Universal service fund	32,558	15,331
Rental of school facilities	76,212	47,079
Donations	1,500	13,196
Sale of school property	-	25,140
Refunds of prior year expenditures	-	20,168
Senior citizen coordinator reimbursements	42,134	41,032
Security officer reimbursement	17,679	24,654
Miscellaneous	129,436	38,840
	<u>459,223</u>	<u>609,044</u>
Total local sources	3,983,317	4,097,894
State sources:		
State aid	27,466,713	26,847,096
Special education - transportation	165,194	189,611
Special education - itinerants	124,373	119,900
Technology readiness infrastructure grant	-	12,681
Michigan rehabilitation services grant	78,463	80,398
Principal educator evaluation	-	27,375
Bus driver safety	874	522
	<u>27,835,617</u>	<u>27,277,583</u>
Total state sources	27,835,617	27,277,583
Federal sources:		
Title I	447,477	327,171
Title IIA	82,390	55,126
Title IIIA	1,925	-
Title IV	10,000	-
I.D.E.A. program	994,311	1,038,475
Medicaid - Outreach	6,343	7,729
	<u>1,542,446</u>	<u>1,428,501</u>
Total federal sources	1,542,446	1,428,501

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2018 and 2017

	2018	2017
Interdistrict sources:		
Special education - county	\$ 3,222,465	\$ 2,516,348
Special education - tuition	1,359,783	1,536,078
Prevocational coordinator reimbursement	37,446	62,521
Medicaid - fee for service	156,727	270,304
Other	183,526	184,046
Total interdistrict sources	4,959,947	4,569,297
Total Revenues	\$ 38,321,327	\$ 37,373,275

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2018 and 2017

	2018	2017
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	\$ 3,518,032	\$ 3,358,379
Employee benefits	2,550,543	2,449,220
Purchased services	120,202	89,663
Supplies	111,129	250,982
Capital outlay	2,975	23,081
Miscellaneous	498	500
	<u>6,303,379</u>	<u>6,171,825</u>
Middle school:		
Salaries	3,175,554	3,032,268
Employee benefits	2,366,612	2,043,624
Purchased services	45,297	39,913
Supplies	65,303	132,995
Capital outlay	7,064	26,775
Miscellaneous	2,511	3,054
Payments to other districts	641	633
	<u>5,662,982</u>	<u>5,279,262</u>
High school:		
Salaries	3,853,856	3,664,458
Employee benefits	2,605,921	2,458,042
Purchased services	84,995	76,215
Supplies	111,990	106,102
Capital outlay	3,691	15,396
Miscellaneous	8,475	7,196
Payments to other districts	94,169	117,447
	<u>6,763,097</u>	<u>6,444,856</u>
Preschool:		
Salaries	34,332	36,169
Employee benefits	20,703	22,998
Purchased services	242	-
Supplies	2,060	1,128
	<u>57,337</u>	<u>60,295</u>
Summer school:		
Salaries	10,970	13,095
Employee benefits	4,817	5,702
Supplies	23	-
Miscellaneous	-	250
	<u>15,810</u>	<u>19,047</u>
Total basic programs	<u>18,802,605</u>	<u>17,975,285</u>
Added needs:		
Special education:		
Salaries	2,821,245	2,885,061
Employee benefits	1,915,864	1,968,672
Purchased services	69,037	72,482
Supplies	22,647	30,558

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2018 and 2017

	2018	2017
Special education: (Continued)		
Capital outlay	\$ 36,865	\$ 36,787
Miscellaneous	3,076	2,061
Payments to other districts	94,682	117,375
	<u>4,963,416</u>	<u>5,112,996</u>
Compensatory education:		
Salaries	186,587	168,788
Employee benefits	119,241	108,327
Purchased services	12,019	-
Supplies	104,627	14,323
	<u>422,474</u>	<u>291,438</u>
Total added needs	<u>5,385,890</u>	<u>5,404,434</u>
Total instruction	<u>24,188,495</u>	<u>23,379,719</u>
Supporting services:		
Pupil services:		
Truancy/absenteeism services:		
Salaries	17,320	-
Employee benefits	15,051	-
Miscellaneous	361	-
	<u>32,732</u>	<u>-</u>
Guidance services:		
Salaries	537,586	557,726
Employee benefits	353,187	380,332
Purchased services	100	-
Supplies	2,572	970
Miscellaneous	-	134
	<u>893,445</u>	<u>939,162</u>
Physical therapist services:		
Employee benefits	-	295
Purchased services	85,192	97,312
Supplies	1,676	1,435
Miscellaneous	15	1,159
Payments to other districts	101,152	77,978
	<u>188,035</u>	<u>178,179</u>
Psychological services:		
Purchased services	853	145
Supplies	4,269	1,919
Payments to other districts	244,419	243,102
	<u>249,541</u>	<u>245,166</u>
Speech pathology services:		
Salaries	37,197	35,835
Employee benefits	26,049	25,309
Purchased services	1,275	-
Supplies	1,368	2,148
Payments to other districts	556,840	582,894
	<u>622,729</u>	<u>646,186</u>

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2018 and 2017

	2018	2017
Social worker services:		
Salaries	\$ 93,227	\$ 36,941
Employee benefits	60,727	27,831
Purchased services	41,448	41,018
Supplies	1,302	1,463
Payments to other districts	696,861	644,381
	<u>893,565</u>	<u>751,634</u>
Visual aid services:		
Payments to other districts	6,814	-
Teacher consultant services:		
Salaries	228,155	168,116
Employee benefits	150,691	106,079
Purchased services	5,071	3,221
Supplies	103	181
	<u>384,020</u>	<u>277,597</u>
Other pupil services:		
Salaries	54,878	4,518
Employee benefits	32,660	1,982
	<u>87,538</u>	<u>6,500</u>
Total pupil services	3,358,419	3,044,424
Instructional staff services:		
Improvement of instruction:		
Salaries	50,272	48,299
Employee benefits	18,181	48,356
Purchased services	120,204	31,817
Supplies	15,934	10,551
Payments to other districts	25,632	50,528
Miscellaneous	16,248	10,892
	<u>246,471</u>	<u>200,443</u>
Educational media services:		
Salaries	41,286	46,792
Employee benefits	27,139	27,835
Supplies	12,587	6,248
	<u>81,012</u>	<u>80,875</u>
Technology assisted instruction:		
Salaries	-	34,999
Employee benefits	-	20,968
Capital outlay	46,648	93,673
	<u>46,648</u>	<u>149,640</u>
Supervision and direction of instruction:		
Salaries	175,863	171,694
Employee benefits	105,756	105,239
Purchased services	45,379	5,432
Supplies	932	1,716
Capital outlay	-	96
Payments to other districts	-	29,552
Miscellaneous	2,496	2,844
	<u>330,426</u>	<u>316,573</u>
Total instructional staff services	704,557	747,531

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2018 and 2017

	2018	2017
General administrative services:		
Board of education:		
Purchased services	\$ 139,007	\$ 148,931
Supplies	24	644
Miscellaneous	44,941	21,161
	<u>183,972</u>	<u>170,736</u>
Executive administration:		
Salaries	254,573	247,683
Employee benefits	188,234	160,234
Purchased services	36,179	50,980
Supplies	2,528	4,906
Capital outlay	996	2,715
Miscellaneous	12,290	14,996
	<u>494,800</u>	<u>481,514</u>
Total general administrative services	678,772	652,250
School administrative services:		
Office of the principal:		
Salaries	1,260,387	1,212,855
Employee benefits	945,812	845,353
Purchased services	24,799	22,152
Supplies	2,034	2,111
Miscellaneous	3,052	5,958
	<u>2,236,084</u>	<u>2,088,429</u>
Graduation:		
Miscellaneous	8,693	8,470
Total school administrative services	<u>2,244,777</u>	<u>2,096,899</u>
Business services:		
Fiscal services:		
Salaries	261,905	293,756
Employee benefits	202,511	217,909
Purchased services	17,262	8,600
Supplies	4,322	6,011
Miscellaneous	1,818	2,576
	<u>487,818</u>	<u>528,852</u>
Internal services:		
Salaries	21,963	23,646
Employee benefits	10,821	11,835
Purchased services	-	-
Supplies	3,717	4,015
	<u>36,501</u>	<u>39,496</u>
Other business services:		
Purchased services	140,088	139,097
Miscellaneous	80,121	104,388
	<u>220,209</u>	<u>243,485</u>
Total business services	<u>744,528</u>	<u>811,833</u>

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2018 and 2017

	2018	2017
Operation and maintenance services:		
Operation and maintenance:		
Salaries	\$ 1,043,917	\$ 986,976
Employee benefits	770,682	651,213
Purchased services	385,074	414,818
Supplies	893,568	874,363
Capital outlay	139,043	48,865
Miscellaneous	2,693	3,457
	3,234,977	2,979,692
Security services:		
Salaries	30,357	25,878
Employee benefits	15,262	13,311
Purchased services	124,122	122,515
Miscellaneous	428	30
	170,169	161,734
Total operation and maintenance services	3,405,146	3,141,426
Pupil transportation services:		
Pupil transportation:		
Salaries	360,457	327,437
Employee benefits	300,162	270,556
Purchased services	76,972	60,693
Supplies	153,141	103,479
Capital outlay	74,862	107,620
Payments to other districts	256,695	261,832
Miscellaneous	17,485	6,914
Total pupil transportation services	1,239,774	1,138,531
Central services:		
Communication services:		
Salaries	2,346	4,061
Employee benefits	1,684	2,853
Purchased services	57,344	50,438
	61,374	57,352
Staff/professional services:		
Salaries	103,100	95,158
Employee benefits	81,937	65,251
Purchased services	7,839	32,752
Miscellaneous	2,357	1,833
	195,233	194,994
Technology services:		
Salaries	270,325	194,553
Employee benefits	224,735	136,410
Purchased services	332,549	301,362
Supplies	874	303
Capital outlay	11,435	29,194
Miscellaneous	120	60
	840,038	661,882

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2018 and 2017

	2018	2017
Central services (Continued)		
Pupil accounting services:		
Salaries	\$ 23,570	\$ 22,391
Employee benefits	15,674	14,938
Purchased services	1,637	1,619
Miscellaneous	203	26
	<u>41,084</u>	<u>38,974</u>
Other central services:		
Salaries	6,800	-
Employee benefits	3,008	-
	<u>9,808</u>	<u>-</u>
Total central services	<u>1,147,537</u>	<u>953,202</u>
Other supporting services:		
Athletics:		
Salaries	554,265	535,751
Employee benefits	236,338	223,642
Purchased services	88,908	78,095
Supplies	2,744	2,913
Capital outlay	47,118	43,279
Miscellaneous	34,520	35,226
Total other supporting services	<u>963,893</u>	<u>918,906</u>
Total supporting services	<u>14,487,403</u>	<u>13,505,002</u>
Community services:		
Community recreation:		
Salaries	17,320	-
Employee benefits	16,179	-
Miscellaneous	149	-
	<u>33,648</u>	<u>-</u>
Community recreation:		
Salaries	164,863	107,055
Employee benefits	82,463	44,890
Purchased services	28,254	35,343
Supplies	3,498	3,324
Capital outlay	55	674
Miscellaneous	14,757	10,911
	<u>293,890</u>	<u>202,197</u>
Senior citizens services:		
Salaries	41,512	40,698
Employee benefits	17,179	16,740
Purchased services	6,218	7,673
	<u>64,909</u>	<u>65,111</u>
Performing arts center:		
Salaries	68,346	66,674
Employee benefits	44,844	49,334
Supplies	12,805	12,902
	<u>125,995</u>	<u>128,910</u>

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Welfare activities:		
Supplies	\$ 169	\$ -
Non-public school pupils:		
Salaries	497	3,080
Employee benefits	460	1,351
Purchased services	-	2,247
	<u>957</u>	<u>6,678</u>
Custody and care of children:		
Salaries	-	121,552
Employee benefits	-	70,244
Purchased services	-	50
Supplies	-	8,180
Capital outlay	-	2,017
Miscellaneous	-	4,517
	<u>-</u>	<u>206,560</u>
Total community services	519,568	609,456
Inter-Governmental	<u>12,000</u>	<u>10,000</u>
Total Expenditures	<u><u>\$ 39,207,466</u></u>	<u><u>\$ 37,504,177</u></u>

NONMAJOR GOVERNMENTAL FUNDS

NORTHVIEW PUBLIC SCHOOLS
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2018

	Special Revenue <u>Food Service</u>	<u>2008</u>	Debt Service <u>2012</u>
Assets			
Cash	\$ 904	\$ -	\$ -
Cash equivalents, deposits and investments	494,802	31,805	393,677
Due from other governmental units	9,257	-	-
Inventory	10,319	-	-
Total Assets	<u>\$ 515,282</u>	<u>\$ 31,805</u>	<u>\$ 393,677</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 135	\$ -	\$ -
Unearned revenue	19,456	-	-
Total Liabilities	<u>19,591</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	10,319	-	-
Restricted	485,372	31,805	393,677
Total Fund Balances	<u>495,691</u>	<u>31,805</u>	<u>393,677</u>
Total Liabilities and Fund Balances	<u>\$ 515,282</u>	<u>\$ 31,805</u>	<u>\$ 393,677</u>

Capital Projects			
2012B	Building and Site	2012 Construction	Total
\$ -	\$ -	\$ -	\$ 904
205,974	963,066	-	2,089,324
-	-	-	9,257
-	-	-	10,319
<u>\$ 205,974</u>	<u>\$ 963,066</u>	<u>\$ -</u>	<u>\$ 2,109,804</u>
\$ -	\$ 8,295	\$ -	\$ 8,430
-	-	-	19,456
-	8,295	-	27,886
-	-	-	10,319
205,974	954,771	-	2,071,599
205,974	954,771	-	2,081,918
<u>\$ 205,974</u>	<u>\$ 963,066</u>	<u>\$ -</u>	<u>\$ 2,109,804</u>

NORTHVIEW PUBLIC SCHOOLS
Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the year ended June 30, 2018

	Special Revenue	Debt Service	
	Food Service	2008	2012
Revenues			
Local sources:			
Property taxes	\$ -	\$ 1,551,090	\$ 1,716,406
Earnings on deposits and investments	3,140	10,402	9,156
Food sales	475,126	-	-
Total local sources	478,266	1,561,492	1,725,562
State sources	62,980	10,739	11,884
Federal sources	830,083	-	-
Total Revenues	1,371,329	1,572,231	1,737,446
Expenditures			
Current:			
Food service	1,252,002	-	-
Capital outlay	-	-	-
Debt service:			
Principal repayment	-	1,195,000	500,000
Interest and fiscal charges	-	136,288	1,150,825
Bond issuance costs	-	41,888	-
Total Expenditures	1,252,002	1,373,176	1,650,825
Excess (Deficiency) of Revenues Over Expenditures	119,327	199,055	86,621
Other Financing Sources (Uses)			
Proceeds from bond refunding	-	2,805,000	-
Payment to escrow agent	-	(3,458,865)	-
Total Other Financing Sources (Uses)	-	(653,865)	-
Net Change in Fund Balances	119,327	(454,810)	86,621
Fund Balances, Beginning of Year	376,364	486,615	307,056
Fund Balances, End of Year	\$ 495,691	\$ 31,805	\$ 393,677

Capital Projects			
2012B	Building and Site	2012 Construction	Total
\$ 591,877	\$ 712,083	\$ -	\$ 4,571,456
5,368	12,937	1,338	42,341
-	-	-	475,126
597,245	725,020	1,338	5,088,923
4,098	-	-	89,701
-	-	-	830,083
601,343	725,020	1,338	6,008,707
-	-	-	1,252,002
-	454,359	132,861	587,220
250,000	-	-	1,945,000
448,000	-	-	1,735,113
-	-	-	41,888
698,000	454,359	132,861	5,561,223
(96,657)	270,661	(131,523)	447,484
-	-	-	2,805,000
-	-	-	(3,458,865)
-	-	-	(653,865)
(96,657)	270,661	(131,523)	(206,381)
302,631	684,110	131,523	2,288,299
\$ 205,974	\$ 954,771	\$ -	\$ 2,081,918

NORTHVIEW PUBLIC SCHOOLS
Food Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	\$ 445,609	\$ 478,266	\$ 32,657
State sources	69,253	62,980	(6,273)
Federal sources	824,208	830,083	5,875
Total Revenues	<u>1,339,070</u>	<u>1,371,329</u>	<u>32,259</u>
Expenditures			
Current:			
Food service	1,340,987	1,252,002	88,985
Net Change in Fund Balances	(1,917)	119,327	121,244
Fund Balances, Beginning of Year	<u>376,364</u>	<u>376,364</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 374,447</u>	<u>\$ 495,691</u>	<u>\$ 121,244</u>

SPECIAL REVENUE FUND

Food Service—to account for monies received from food service activities and federal subsidies for use in administering the hot lunch program of the District.

NORTHVIEW PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash	\$ 904	\$ 904
Cash equivalents, deposits and investments	494,802	384,529
Due from other governmental units	9,257	9,318
Inventory	10,319	6,335
Total Assets	\$ 515,282	\$ 401,086
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 135	\$ -
Due to other governmental units	-	2,001
Salaries payable	-	4,696
Unearned revenue	19,456	18,025
Total Liabilities	19,591	24,722
Fund Balances		
Nonspendable	10,319	6,335
Restricted	485,372	370,029
Total Fund Balances	495,691	376,364
Total Liabilities and Fund Balances	\$ 515,282	\$ 401,086

NORTHVIEW PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2018 and 2017

	2018	2017
Revenues		
Local sources:		
Food sales:		
Children's lunches	\$ 281,040	\$ 301,623
Children's breakfasts	25,094	26,558
Adult lunches and banquets	5,718	6,392
Ala carte	140,782	163,535
Catering	20,666	19,152
Other	1,826	989
	<u>475,126</u>	<u>518,249</u>
Interest earnings:		
Earnings on deposits and investments	3,140	1,531
Total local sources	<u>478,266</u>	<u>519,780</u>
State sources	62,980	58,795
Federal sources	830,083	794,078
	<u>1,371,329</u>	<u>1,372,653</u>
Total Revenues		
Expenditures		
Current:		
Food service:		
Salaries	388,773	413,401
Employee benefits	212,766	231,327
Purchased services	5,803	6,576
Supplies	628,579	663,028
Capital outlay	2,516	2,674
Miscellaneous	13,565	13,945
	<u>1,252,002</u>	<u>1,330,951</u>
Total Expenditures		
Net Change In Fund Balances	119,327	41,702
Fund Balances, Beginning of Year	<u>376,364</u>	<u>334,662</u>
Fund Balances, End of Year	<u>\$ 495,691</u>	<u>\$ 376,364</u>

This Page Intentionally Left Blank

DEBT SERVICE FUNDS

To accumulate property tax revenues and interest earnings for repayment of the bond issues of the District used to finance new building construction projects.

NORTHVIEW PUBLIC SCHOOLS
Debt Service Funds
Combining Balance Sheet
June 30, 2018

	2008	2012	2012B
Assets			
Cash equivalents, deposits and investments	\$ 31,805	\$ 393,677	\$ 205,974
Liabilities and Fund Balances			
Liabilities	\$ -	\$ -	\$ -
Fund Balances			
Restricted	31,805	393,677	205,974
Total Liabilities and Fund Balances	\$ 31,805	\$ 393,677	\$ 205,974

Totals	
2018	2017
\$ 631,456	\$ 1,096,302
\$ -	\$ -
631,456	1,096,302
\$ 631,456	\$ 1,096,302

NORTHVIEW PUBLIC SCHOOLS
Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2018

	<u>2008</u>	<u>2012</u>	<u>2012B</u>
Revenues			
Local sources:			
Property taxes:			
Current property taxes	\$ 1,544,276	\$ 1,708,866	\$ 589,277
Industrial facilities taxes	3,899	4,315	1,488
Delinquent and other property taxes	1,246	1,379	475
Interest on delinquent taxes	1,669	1,846	637
	<u>1,551,090</u>	<u>1,716,406</u>	<u>591,877</u>
Interest earnings:			
Earnings on deposits and investments	10,402	9,156	5,368
Total local sources	<u>1,561,492</u>	<u>1,725,562</u>	<u>597,245</u>
State sources:			
Personal property tax debt loss reimbursement	10,739	11,884	4,098
Total Revenues	<u>1,572,231</u>	<u>1,737,446</u>	<u>601,343</u>
Expenditures			
Debt service:			
Principal repayment	1,195,000	500,000	250,000
Interest and fiscal charges:			
Interest expense	135,288	1,150,675	447,850
Paying agent fees	1,000	150	150
Bond issuance costs	41,888	-	-
Total Expenditures	<u>1,373,176</u>	<u>1,650,825</u>	<u>698,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>199,055</u>	<u>86,621</u>	<u>(96,657)</u>
Other Financing Sources (Uses)			
Proceeds from bond refunding	2,805,000	-	-
Payment to escrow agent	(3,458,865)	-	-
Total Other Financing Sources (Uses)	<u>(653,865)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(454,810)</u>	<u>86,621</u>	<u>(96,657)</u>
Fund Balances, Beginning of Year	<u>486,615</u>	<u>307,056</u>	<u>302,631</u>
Fund Balances, End of Year	<u>\$ 31,805</u>	<u>\$ 393,677</u>	<u>\$ 205,974</u>

Totals	
2018	2017
\$ 3,842,419	\$ 3,694,798
9,702	9,918
3,100	21,967
4,152	5,880
<u>3,859,373</u>	<u>3,732,563</u>
24,926	13,538
<u>3,884,299</u>	<u>3,746,101</u>
26,721	20,757
<u>3,911,020</u>	<u>3,766,858</u>
1,945,000	1,840,000
1,733,813	1,894,113
1,300	800
41,888	-
<u>3,722,001</u>	<u>3,734,913</u>
189,019	31,945
2,805,000	-
(3,458,865)	-
<u>(653,865)</u>	<u>-</u>
(464,846)	31,945
<u>1,096,302</u>	<u>1,064,357</u>
<u>\$ 631,456</u>	<u>\$ 1,096,302</u>

This Page Intentionally Left Blank

CAPITAL PROJECTS FUNDS

Building and Site—to account for property tax revenues and interest earnings used to finance building restoration projects.

2012 Construction — to account for bond proceeds used to finance building construction and improvement projects.

NORTHVIEW PUBLIC SCHOOLS
Building and Site Capital Projects Fund
Comparative Balance Sheet
June 30, 2018 and 2017

Assets	<u>2018</u>	<u>2017</u>
Cash equivalents, deposits and investments	<u>\$ 963,066</u>	<u>\$ 693,845</u>
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	<u>\$ 8,295</u>	<u>\$ 9,735</u>
Fund Balances		
Restricted	<u>954,771</u>	<u>684,110</u>
Total Liabilities and Fund Balances	<u>\$ 963,066</u>	<u>\$ 693,845</u>

NORTHVIEW PUBLIC SCHOOLS
Building and Site Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2018 and 2017

	2018	2017
Revenues		
Local sources:		
Property taxes:		
Current property taxes	\$ 708,948	\$ 700,365
Industrial facilities taxes	1,833	1,890
Delinquent and other property taxes	552	2,834
Interest on delinquent taxes	750	988
	712,083	706,077
Interest earnings:		
Earnings on deposits and investments	12,937	3,440
	12,937	3,440
Total Revenues	725,020	709,517
Expenditures		
Capital outlay:		
Building improvements	454,359	272,083
	454,359	272,083
Net Change In Fund Balances	270,661	437,434
Fund Balances, Beginning of Year	684,110	246,676
Fund Balances, End of Year	\$ 954,771	\$ 684,110

NORTHVIEW PUBLIC SCHOOLS
2012 Construction Capital Projects Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash equivalents, deposits and investments	<u>\$ -</u>	<u>\$ 131,523</u>
Liabilities and Fund Balances		
Liabilities	\$ -	\$ -
Fund Balances		
Restricted	<u>-</u>	<u>131,523</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 131,523</u>

NORTHVIEW PUBLIC SCHOOLS
2012 Construction Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2018 and 2017

	2018	2017
Revenues		
Local sources:		
Interest earnings:		
Earnings on deposits and investments	\$ 1,338	\$ 1,429
Expenditures		
Capital outlay:		
Building additions and improvements	-	663
New equipment and furniture	132,861	191,520
Total Expenditures	132,861	192,183
Net Change In Fund Balances	(131,523)	(190,754)
Fund Balances, Beginning of Year	131,523	322,277
Fund Balances, End of Year	\$ -	\$ 131,523

This Page Intentionally Left Blank

AGENCY FUND

Student Activities—to account for the collection and disbursements of monies used by the school activity clubs and groups.

NORTHVIEW PUBLIC SCHOOLS
Student Activities Agency Fund
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2018

	<u>Balances July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances June 30, 2018</u>
Assets				
Cash equivalents, deposits and investments	\$ 339,498	\$ 842,726	\$ 734,563	\$ 447,661
Accounts receivable	423	400	423	400
Total Assets	<u><u>\$ 339,921</u></u>	<u><u>\$ 843,126</u></u>	<u><u>\$ 734,986</u></u>	<u><u>\$ 448,061</u></u>
Liabilities				
Due to student groups	<u><u>\$ 339,921</u></u>	<u><u>\$ 837,084</u></u>	<u><u>\$ 728,944</u></u>	<u><u>\$ 448,061</u></u>

OTHER INFORMATION

NORTHVIEW PUBLIC SCHOOLS
Summary of 2017 Taxes Levied and Collected
For the year ended June 30, 2018

	Kent County			Total
	Townships of			
	Ada	Grand Rapids	Plainfield	
Taxable Valuations				
Operating	\$ 720,956	\$ 11,645,956	\$144,705,369	\$157,072,281
Recreation/Debt Service/Building & Site	11,183,938	52,350,978	389,091,708	452,626,624
Rates (Mills)				
General Fund				17.6490
Recreation				0.7381
2008 Debt Service Fund				2.5352
2012 Debt Service Fund				2.8054
2012B Debt Service Fund				0.9674
Building and Site Fund				1.1866
				<u>25.8817</u>
Taxes Levied 2017 Rolls				
General Fund	\$ 12,724	\$ 212,554	\$ 2,662,631	\$ 2,887,909
Recreation	8,787	47,229	394,887	450,903
2008 Debt Service Fund	30,181	162,243	1,356,522	1,548,945
2012 Debt Service Fund	33,398	179,534	1,501,099	1,714,031
2012B Debt Service Fund	11,517	61,910	517,631	591,058
Building and Site Fund	14,126	75,938	634,873	724,937
	<u>110,732</u>	<u>739,407</u>	<u>7,067,643</u>	<u>7,917,783</u>
Taxes Uncollected 2017 Rolls				
General Fund	636	7,352	129,260	137,248
Recreation	326	755	10,528	11,609
2008 Debt Service Fund	1,119	2,594	36,172	39,885
2012 Debt Service Fund	1,238	2,871	40,027	44,136
2012B Debt Service Fund	427	990	13,803	15,220
Building and Site Fund	524	1,214	16,928	18,666
	<u>4,270</u>	<u>15,777</u>	<u>246,717</u>	<u>266,764</u>
Taxes Collected 2017 Rolls				
General Fund	12,088	205,202	2,533,372	2,750,661
Recreation	8,461	46,474	384,359	439,294
2008 Debt Service Fund	29,062	159,648	1,320,350	1,509,060
2012 Debt Service Fund	32,159	176,663	1,461,072	1,669,895
2012B Debt Service Fund	11,090	60,920	503,829	575,838
Building and Site Fund	13,602	74,723	617,945	706,270
	<u>106,463</u>	<u>723,630</u>	<u>6,820,926</u>	<u>7,651,019</u>
Delinquent Taxes Collected				
General Fund	636	7,091	86,735	94,462
Recreation	326	721	23,012	24,059
2008 Debt Service Fund	1,119	2,478	31,619	35,216
2012 Debt Service Fund	1,239	2,742	34,991	38,972
2012B Debt Service Fund	427	945	12,066	13,438
Building and Site Fund	524	1,160	994	2,678
	<u>4,271</u>	<u>15,137</u>	<u>189,417</u>	<u>208,825</u>
Total Taxes Collected				
General Fund	12,724	212,293	2,620,107	2,845,123
Recreation	8,787	47,195	407,371	463,353
2008 Debt Service Fund	30,181	162,126	1,351,969	1,544,276
2012 Debt Service Fund	33,398	179,405	1,496,063	1,708,867
2012B Debt Service Fund	11,517	61,865	515,895	589,276
Building and Site Fund	14,126	75,883	618,939	708,948
	<u>\$ 110,734</u>	<u>\$ 738,767</u>	<u>\$ 7,010,343</u>	<u>\$ 7,859,844</u>